THE FINANCIAL POST

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The Nation's Business

Need Co-ordinator For All War Work

For two years the United States watched Britain and Canada at war. For two years Americans observed closely our successes and our mistakes. In their position as observers they have seen, just as we did, that the most pressing problem for a country going on a war basis is maximum production. It is significant then that at a two-day meeting of the Chamber of Commerce of the United States, the other day, the directors passed a resolution urging the President to appoint a co-ordinator—a general manager of that country's war production effort.

This was the considered advice of men long-trained in business. It was the advice of men who have had plenty of opportunities of seeing how the problem of production is being handled in Britain and Canada and other parts of the British Empire. It is an opinion (expressed in a resolution) which because of its timeliness and importance is quoted here in full:

> "We are at war today with countries whose economy long since has been geared to war.
>
> "In order to wage this war most efficiently and economically we must so gear our entire economy as to get maximum production.
>
> "This must be accomplished at once to win the war in the shortest possible time in order to save lives, a long gruelling war effort and unnecessary waste of resources.
>
> "We believe the defense organization in Washington must be so set up that it functions through one head appointed by the President with full powers to act.
>
> "There, then, must be a simplification and coördination of the present defense agencies and a complete self-organization of industry to promote the maximum output.
>
> "The experiences of the last war proved the efficiency and workability of such a plan."

We have no need to be ashamed of Canada's productive effort. It has been good, but it might have been better. Admittedly we have taken out many of the creaks in the production machine. If the war lasts long enough, undoubtedly all of the rough spots in our production programme will be smoothed over. But Hitler and his satellites have shown us that time is not on our side; and they do not propose to wait.

Our steadily mounting output of munitions and other war supplies makes it increasingly important that the government appoint a chief Production Manager without delay. He should be free entirely from politics and have full authority. His job would be to plan and co-ordinate our whole industrial war effort with the general object of getting the maximum volume in the minimum of time.

In the past when the subject of co-ordinator for Canadian war production has been mentioned, it has been decried because "there was no one man big enough in the country to handle the job." The same argument would apply manyfold in the case of the United States, but the business men of that country, as represented by the Chamber of Commerce, do not agree.

• • •

STILL WASTING VITAL MAN POWER

Several key men in the Dominion Cabinet, including Messrs. Ralston, Macdonald and Ilsley are now reported to be advocating selective compulsory service. In view of the gravity of the present changed situation, we cannot see how they could do otherwise. Canada has long reached the stage where much more effective use must be made of its man-power.

There are still some men idle in isolated pockets of the country. There are many more in jobs that have no connection with the war and for the time being could be eliminated. There are thousands again whose places could be filled by women. A large percentage of our farmers are working 14 hours a day trying frantically to produce more food, vitally needed by Britain, while in nearby cities and towns youths are in idleness waiting their call for the draft for service in Canada only.

This is no way to fight a total war. We are only prolonging the struggle, indeed seriously risking losing it altogether, by such a course. Long before this we should have had every man and every woman in vital jobs, doing work for which they are most fitted, or releasing men wanted in the fighting forces or munitions plants.

The government doesn't need any further mandate. Mr. King was returned to power nearly two years ago for the sole purpose of pushing Canada's war effort to the uttermost. Adoption of selective compulsory service is essentially part of such a national order.

Instead of waiting until the demand became irresistible for this measure, Mr. King and the rest of his cabinet should have been out months ago stressing its necessity, preparing the whole country for its adoption. They were elected to lead our war effort not simply to be pushed along with it.

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MAJOR TEST FACES PRICES CONTROL

First major test of the new price ceiling policy may centre around a product that concerns every Canadian and is the basis of an important national industry—milk. Within a short time, six months at the most, it is reported, the country will face a serious shortage of milk, and if this is to be even partially averted steps must be taken immediately.

Cutting down present heavy exports of processed milk and cheese to Great Britain, of course, would ease the situation instantly, but such a course would be unthinkable when Britain's need at this time is much greater than our own.

Three other steps remain open to the Wartime Prices and Trade Board: the consumer could be asked to pay more, a straight subsidy might be paid to producers, or the latter's costs might be reduced by lowering feed costs. With substantial encouragement in any of these three forms it is believed that milk production could be stimulated immediately almost 15% and still more as farmers increase their holdings of dairy cattle.

With the Prices Board firmly committed to a rigid ceiling, the public generally opposed to the growth of subsidies, and the farmer admittedly facing a critical labor shortage, a real problem confronts the new control programme. But this one, along with hundreds of others must be solved and solved quickly if Canada's great experiment to halt inflation is to have a chance of success.

• • • •

SOME RATIONING MUST COME

Development of the second stage in the price ceiling policy is seen in the announcement that some form of rationing is on the way. This is no surprise. Canadians have been long prepared for it.

It is now very apparent that the supplies of certain essential materials are limited and that they must be made to go as far as possible in aiding the war effort. In this respect the man on the street seems to be far ahead of the government which rather timidly mentions that rationing is in prospect, but with the same breath says it is not immediate.

It takes time to set up a rationing system. Many problems are involved, but would it not be better to go ahead now and put into effect a rationing system of those materials which we know are going to be scarce and will be vitally needed for the war effort, even though at this stage there is no immediate scarcity? True the government has authorized some restrictions but no real rationing scheme of any kind has been adopted.

Tucked away in one of those pigeon-holes at Ottawa is a scheme for rationing sugar. It has been gathering dust for many months, simply because there has been no need to ration. But in the case of war materials of which we have reasonably satisfactory stocks, some form of rationing should be adopted now so as to reduce civilian use to the absolute minimum.

Still Work For Rubber Plants

The rubber manufacturing industry, while it has received and will of course comply with the order stopping manufacture of articles requiring new rubber until Jan 2, is not shut down as yet. It requires perhaps a week or more to get the tires, tubes, belting and thousands of other goods already in process through the plant. This work has to be completed to avoid waste.

In the meantime, there is no halt to work on war orders—tires for army trucks and airplanes, rubber parts for tanks or other war equipment. This means permanent work for a large portion of the industry. Rubber and supplies for repairs are being made available.

Then, the Motor Vehicle Controller has not yet halted manufacture of automobiles. This means that tires must continue to go to the motor car makers, even if only four tires per car are to be supplied in place of the customary five. So long as another controller authorizes manufacture of items requiring rubber goods, it appears that the rubber industry more or less automatically gets authority to make the rubber goods required.

Also there has been certain minor easing of the freezing order to see that certain pressing industrial needs are supplied, such as mine equipment and railroad equipment.

Contest Results Out Next Week

Judging entries in The Financial Post's insurance contest is now well advanced and it is expected results and names of winners will be announced in next week's issue of The Post.

National Government Is Now Imperative

War Crisis Dictates Change of Financial Post Policy

The appointment of Humphrey Mitchell as Minister of Labor emphasizes the whole question of reorganization of the Dominion cabinet for an "all out" prosecution of the war. Provided Mr. Mitchell has the full confidence of responsible labor, and we believe he has, then this is decidedly a step in the right direction.

But it is only one step.

The cabinet must be broadened to include a full representation of all important elements of the nation. To fight this new and total war which has now come to our very doorsteps, and to render full support to our new and powerful ally to the south, we must have a truly national government, one that will include the leaders of industry, of labor, of agriculture, of all major political parties. If necessary, Mr. King must go entirely outside the House of Commons for such leaders as he has done in the case of Mr. Mitchell and the new Minister of Justice, Louis St. Laurent.

For over two years the management of our affairs has been in the hands of a party government. It has failed to secure unity and maximum efficiency.

Large groups are wholly dissatisfied. They believe consideration for party is causing unnecessary expense and handicapping our war effort. They do not seek power or position for themselves but they do want assurance that winning the war will come first.

Under the present policy, apparently, it has been impossible to submerge party interests and get the united efforts of all parties and all groups for an "all out" war effort. The only alternative is a genuinely national government, one that has the confidence of every important group, and every area in Canada.

In the past two years leaders of the official opposition and other parties outside the government have not been consulted or informed concerning many phases of government action, and without information enthusiastic and whole-hearted support of governmental policies has not been secured.

Up to the present it has been our conviction that a party government, kept alert and efficient by a vigorous opposition, could, did it so desire, prosecute the war effort with strength and efficiency. But the gravity of the situation, the increasing magnitude and cost of that effort, and the evident disinclination of the government leaders to eschew party considerations, compel us to change our view.

We believe that only through a representative, non-partisan government, can the nation achieve that unity, that spirit of fight, work and sacrifice that is vital to the winning of the life and death struggle in which we are engaged.

THE PUBLISHERS.

More How Price Control Works

Business Finds Some Very Tough Spots Remain

Much of business is still confused and uncertain regarding the workings of the price control policy of the Dominion government. Some of this confusion is inevitable in the initial stages of such a sweeping plan.

Many questions for the most part involving particular cases—are pouring into Price Board officials.

Importers are among the more seriously hit by the regulations. In an important number of cases the trouble with imports arises with goods bought in the United Kingdom. Exporters in that country, perhaps with the support of U. K. authorities, have abandoned the former custom of quoting firm prices on receipt of the order. They now sell only on the basis of prices at time of shipment.

Thus a Canadian importer does not know what his cost is going to be, perhaps not within a wide margin. A large proportion of goods imported into Canada from the United Kingdom are textiles and clothing of various kinds. Canadian importers are reluctant to make commitments for British goods which may have to be sold well above Canada's ceiling prices or else at a severe loss. This situation poses a serious problem for the administrators as well.

But Canadian government policy, The Financial Post is told, is to encourage import of any goods that Britain can supply to us. It helps to use up the huge accumulations of sterling that Canada holds.

One Canadian manufacturer had to import materials from Britain which were going to cost him more than he had been paying in the past. This man was given blanket approval to import the materials by a local representative of the Wartime Prices and Trade Board.

Another manufacturer requires certain chemicals on which he was advised the price had advanced. In this case the chemicals were regarded as essential and bought, though the letter of the price control regulations was broken.

Board Policy

From what can be gathered from the relatively small number of cases to date, the general policy of the Board in such instances has been to grant permission to import the goods so long as a good case can be established for their need.

To comply with price control re-

(Continued on page 2, col. 4)

Canadian Christmas is Still Surviving Despite Mounting War Restrictions

By W. BRUCE MACKINNON

If Canada's third wartime Christmas finds Santa Claus leaner in paunch and pack than last year, the slimming is still hardly noticeable.

There are some good reasons why Canada should have a Scrooge's Christmas this year, but there are as many reasons why we won't.

For two years and a quarter we have been cut off from the toymakers of Nuremburg, and for nearly half a year we have been without the services of Tokyo toysters. For over a year sporting goods, many electrical goods, and toys haven't been coming in from the United States.

A year and a half has passed since we were last able to bring in perfumes and lingeries from France, crystal and brassware from Belgium and Holland, skis from Norway. Natural silk stockings are almost sold out, and figs and dates, almonds, filberts, walnuts in the shell and pecans are becoming increasingly scarce.

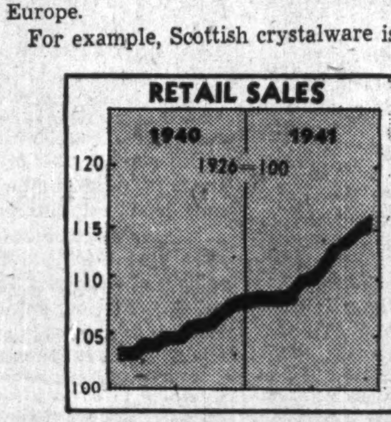
On the heels of this retreating column of imported goods has fallen an army of some half a million newly employed Canadians, armed with about half a billion extra dollars of spendable income. The combined effect of this fresh attack on weakened forces has all the earmarks of a rout for the retailers.

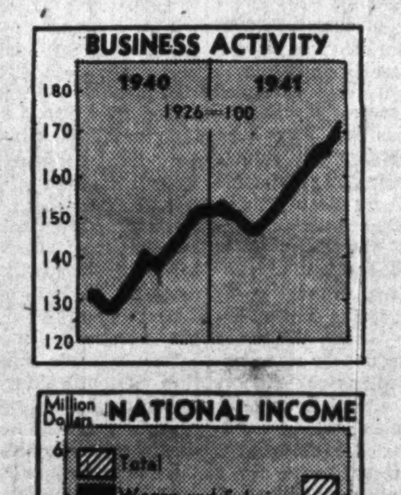
But the supply position is not nearly as weak as the catalogue of Christmas casualties would indicate. It may be Canada's last real Christmas for the war, but it's going to be a good one for the merchants.

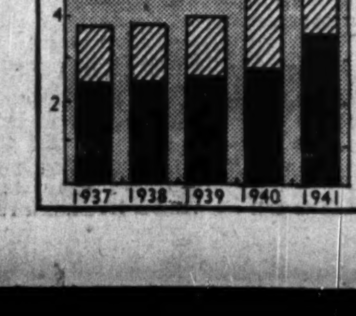
In the first place, Canada's own production accounts for nearly nine-tenths of the retail dollar volume. In some categories this proportion is substantially lower, but by and large foreign trade fills only about one stocking in ten.

Then there are the soaring imports of British goods, in some cases around twice what we bought last year. Not only have we continued to get most of the usual British goods, but Canadian buyers have discovered British lines in goods they had formerly bought in Europe.

For example, Scottish crystalware is being sold by one large Canadian retailer for the first time. Quality and appearance are stated to be the equal of anything formerly bought in Belgium or Czecho-Slovakia. Other large firms are handling English-made electric trains, along with the remainder of their stock of U. S.-built models.







Remember that before the war Britain got a business bonus in the form of refugee industries from Continental Europe. Many a far-sighted European businessman packed up his capital, his skilled labor and some of his equipment, transplanted his business bodily to Britain. In the case of one Czech manufacturer of low-priced musical instruments who had to leave his plant to the Nazis, production costs were actually lowered by the shift to Britain. At last report, he was able to sell merchandise below the cost of production of his Nazi successors.

Refugee talents are also going to work for Canada. Cutting off German and Japanese glass-blown tree decorations has been partly made good by a local production operated by Czechs. The Canadian "tree-balls" are more expensive but are heavier and will last longer.

Big feature of the year in tree decorations is cellophane. Thin cellophane is folded and woven to replace the raffia wreathes and ropes we used to get from Japan. Thicker cellophane is pressed into Christmas bells, lamp reflectors and other items formerly brought in from the Axis. All the cellophane decorations are made in Canada.

"Educational" Toys

The "Made in Canada" label has long been on the majority of girls' dolls sold in the Dominion, but boys' toys have been imported to a far greater extent. Some of these are still allowed to enter from the United States. Chemistry sets, books, crayons and paints, tool sets, scooters, toy autos and larger wagons all continue to come into Canada because they are not classed as "toys" in the customs regu-

(Continued on page 5, col. 3)

U. S. War May Cause Canada Big Steel Supply Problem

Indicated Import Needs to Keep Shipbuilding and War Industries Going Equal Entire 1940 Production — U. S. Only Source

By STAFF WRITER

Wholesale stop orders on the production of a wide range of everyday articles using steel, this week emphasizes the growing scarcity of this metal. It is a scarcity that affects not Canada alone but every country in this war.

From the United States comes word that the automobile industry, the largest single user of steel under ordinary circumstances, faces a 25% reduction in its quota for December and 50% in January and may have to stop turning out cars for civilian use entirely for a period. This quota had already been cut to about 50% of 1940 output.

In 1942 Canada is going to require some two millions tons of steel in addition to what can be produced by our own steel mills, The Financial Post is informed.

This is almost exactly as much as this country's total production in 1940 and far more than we turned out in 1939. This year Canada's own production of steel will be almost 25% above that for all of 1940 due to increases in capacity.

The only source to which we can turn for this two million tons is the United States and the U. S. steel supply is problematical. Already, it is understood, efforts are under way to negotiate a contract for this tonnage.

One Import Source

Canada has become increasingly dependent on the United States for its supply of iron and steel products in recent months. Because of an agreement resulting from the Lease-Lend help which Britain is receiving from the United States, the United Kingdom is no longer exporting iron or steel products. This only leaves the U. S. to which we can turn, and we have been turning to that source of supply on an increasing scale ever since the war started.

In October this year we imported $41.6 millions of iron and steel products, an all-time record. For the first 10 months of 1941, imports have totalled $363.1 millions. This compares with $298.9 millions for all of 1940 and $183.2 millions for 1939.

Steel Controller F. B. Kilbourn recently said:

"Our only source of supply by importation will be the United States, and our needs from that source will be vastly in excess of our requirements from that market in recent years. To serve only direct war, indirect war, and vital industry requirements in 1942, our import needs from the U. S. will be over 4½ times those of 1939, notwithstanding the upward revision over that year in domestic capacity."

Canada's rapidly expanding shipbuilding industry is going to need tremendous quantities of steel and its success is apparently going to depend in large measure on our ability to secure necessary supplies from the United States.

For this reason, alone, Canadians would take much comfort from the official statement from Washington that the war with Japan was not going to interfere with the United States' programme of aid to the Allies. Canada's steel requirements come under this category.

Domestic Output Boosted

This does not mean that the Canadian steel industry has been idle.

At the end of 1940 Canada had an

(Continued on page 2, col. 1)

Now Planning More Brass Output

By STAFF WRITER

OTTAWA.—Ways of still further expanding Canadian brass production, already strained to keep even in sight of requirements, are being discussed here, as a result, it is understood, of further requirements on British account. Only question in doubt is how best to achieve this further increase in brass production. That it will be increased beyond the present figure is not in doubt.

Censorship prevents publication of such production figures, but it can be said that in September installed capacity for brass production in this country was 10 times greater than annual requirements in 1939. It was in September that the government-owned Canada Strip Mill Ltd., operated by Anaconda near Toronto, came into production.

This capacity, with the other government-owned plant, Allied Brass Ltd., operated by Canada Wire & Cable Co., and inherited from the defeated French government, is responsible for the great increase in brass output, an output which was known to be well below requirements even before the new requests from Britain.

Explored U. S. Capacity

As an alternative to still further increasing this capacity, it was suggested that the virgin metal required for brass manufacture, largely copper, be shipped from Canadian refineries to U. S. brass makers to be turned into the finished product for British use. It was found that freight and toll charges necessitated by this method would add between six and eight cents per pound to the cost of the brass, and it is understood the government had fairly definitely decided against this method when the Japanese attack on United States possessions altered the picture again.

It is expected that the United States entry into the war as a belligerent will result in closer intermeshing of the U. S. and Canadian war machine. Such intermeshing may make the proposal to ship Canadian metal to U. S. brass fabricators economical.

To determine whether this is so, or whether it would be more economical to invest the difference in cost in new plant here, it is necessary to attempt an estimate of the future needs of the democracies. Decision on the point, involving as it does huge amounts of metals such as copper, nickel, zinc and tin, is expected shortly.

Rubber, Steel and Gas Head Ration Parade

From Our Own Correspondent

OTTAWA.—Canada got its first real taste of rationing this week—and the end is not yet.

First impact came in goods requiring rubber and steel, and in gasoline, as forecast last week. Further expansion of the rationing policy is expected to come in the form of tighter restrictions in these three groupings, rather than in the introduction of a new group, with the possible exception of textiles.

The effect of the original order banning sale of rubber tires was unnecessarily startling, due not so much to misinterpretation in early reports as a few government officials have claimed, but to the wording of the original press release. This release gave no hint that the order stopping sale of tires was only a temporary one.

Later it was explained that the freezing order was designed merely to prevent the hoarding of tires pending the issuance of a "permanent" order. Sales returns following the outbreak of trouble in the Pacific (this continent's highway to rubber supplies) indicated that hoarding was gathering momentum, and endangered not only inventories but the stability of the trade.

Permanent Order Soon

The permanent order regarding sales of rubber tires is expected in a week or so. Indications here are that when it comes it will not be nearly as drastic as the first order might imply. One suggestion given official consideration is to limit the sale of tires to those motorists who can produce an old tire beyond repair or retreading. It is also possible that only one new tire per vehicle will be allowed. Passenger car and truck manufacturers have already been advised that new vehicles can no longer be equipped with spare tires.

The order banning the manufacture of any rubber goods requiring the use of new rubber expires Jan. 2, by which time it is hoped to establish just what are the essential civilian needs for rubber. The permanent order taking effect on that day will limit the use of new rubber to war purposes and these essential civilian needs.

Back of the order on steel is the serious shortage and an extremely delicately balanced international supply situation.

While Canada has been promised adequate steel supply for her war effort, no one can forecast, even into the immediate future, what demands the new war developments may make on United States capacity. In other words, although the situation is known to be serious, it is not known how much more serious it may become.

Predict Flexibility

The administration of gasoline rationing which comes into effect April 1, is expected to be extremely flexible, and will vary from time to time as the supplies of gasoline, always a volatile commodity as regards supply, ebb and flow.

Gas Rationing To Be Applied To Tourists

Canada's gasoline rationing system is to apply to all types of vehicles. Tourists are apparently going to get the same treatment as Canadians, being given coupon books on entry to Canada permitting them to buy the same relative amount of gasoline as Canadians in the same category.

Tourists will not have to pay a registration fee but Canadians will be charged $1 for each vehicle. Owners of motor vehicles must apply for ration books. For the ordinary motorist whose driving is classed as "non-essential," issuers of provincial motor licenses can grant coupon books.

For others, application will have to be made to one of the 14 regional control offices to be set up across Canada in conjunction with the Wartime Prices and Trade Board. Forms are to be ready after Jan. 1 and to be obtained at post offices.

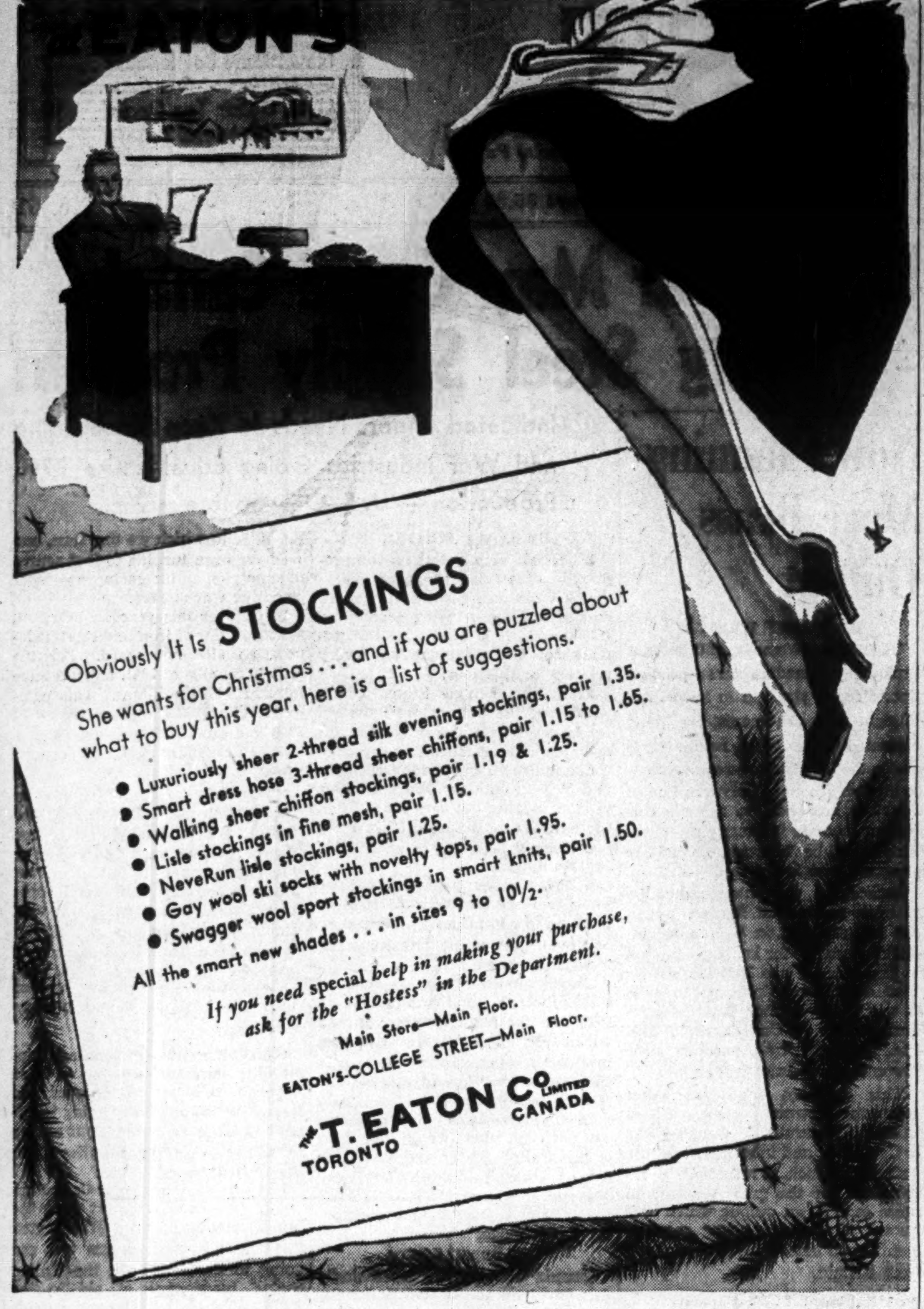
Cut in Car Manufacture Not Absolute But Drastic

From Our Own Correspondent

OTTAWA.—While there is no confirmation of the report that manufacture of passenger automobiles will be completely stopped, it is learned from reliable sources that further restriction on such manufacture is inevitable. At the present time, 1942 production of passenger cars has been restricted to 42,000 vehicles, or slightly over 44% of the 1940 total of 95,500 cars.

A few days ago 1942 output of light trucks was limited to one half the 1941 production, and heavier trucks (over 10,000 lb. gross rating) cannot be produced in greater quantity than in 1941.

These orders are taken to indicate eventual further restrictions on the manufacture of passenger cars. In its present mood, Ottawa may make these new restrictions fairly drastic. Big objective in such curtailment would, of course, be the conservation of badly needed steel supplies. Secondary benefits would be the release of further labor power for the war effort; conservation of rubber, and the indirect saving in gasoline consumption.



Obviously It Is **STOCKINGS**

She wants for Christmas . . . and if you are puzzled about what to buy this year, here is a list of suggestions.

- Luxuriously sheer 2-thread silk evening stockings, pair 1.35.
- Smart dress hose 3-thread sheer chiffons, pair 1.15 to 1.65.
- Walking sheer chiffon stockings, pair 1.19 & 1.25.
- Lisle stockings in fine mesh, pair 1.15.
- NeveRun lisle stockings, pair 1.25.
- Gay wool ski socks with novelty tops, pair 1.95.
- Swagger wool sport stockings in smart knits, pair 1.50.

All the smart new shades . . . in sizes 9 to 10½.

If you need special help in making your purchase, ask for the "Hostess" in the Department.

Main Store—Main Floor.

EATON'S-COLLEGE STREET—Main Floor.

THE T. EATON Co LIMITED
TORONTO CANADA

The War And Business

Rationing on Way?

Rationing is rapidly on its way. War developments of the past two weeks have made it more than ever essential that the supply of certain materials be conserved for the war effort. Civilian consumption of these goods must be reduced to a minimum. Plans are being considered at Ottawa, it is reported, and the use of war materials for civilian consumption will be either eliminated entirely, or a rationing system will be introduced as the most equitable way of providing for distribution of the limited supply available for civilians.

* * *

Seek More Revenue

Revenue officials at Ottawa are understood to have been burning the midnight oil recently devising ways and means of tapping fatter war wages. Thousands of families throughout the Dominion now have two or three times the money of a few years coming in every week where the father and older sons are working. So far only a fraction of these new earnings have been tapped by income and war taxes and the sale of savings certificates.

Though official quarters have been absolutely mum, some consideration, is again reported being given to the idea of compulsory savings. Public announcement may be made at the time of the next war loan. Another suggestion believed being considered would be a further boost in the National Defense Tax, now 5% for married wage earners and 7% for unmarried.

* * *

Why Lease-lend to Turks

The real reason for the sudden and surprising extension of American lease-lend aid to Turkey has now leaked out. Worried over the limited entrances for U. S. war supplies to Russia — since the break with Japan the Vladivostock route is out — Washington looked around for other possible lines of communications. Overland through Turkey from Syria or Palestine was an obvious alternative. The price for such was apparently lease-lend for the Turks and so the matter was quickly settled. It is estimated that at least twice the flow of American war supplies could be got into Russia if Turkish railroads were made available. Equipment could be brought up through the Red Sea thus supplementing the combined rail and road haul through Iran.

* * *

Postwar Debts

Washington seems determined that no impossible bills will mar the peace to be made after this second World war. Plans are well advanced for settlement of Lease Lend aid to Britain and the other Allies.

The amounts already involved are of staggering proportions. In a nut shell, up to the end of November here are the rough totals:

Total Lease-lend $1,202 millions, including $723 millions actually transferred; $140 millions awaiting transfer; $92 millions, articles in process of manufacture; $79 millions serving and repair of ships, most of them ships of the British Navy; $92 millions rental and charter of merchant ships to carry lease-lend goods to the nations needing them; $75 millions production facilities in the United States.

Some system is being worked out whereby these debts may be settled on a straight dollar basis, but to do this Washington seems prepared to put real values on such intangibles as access and use of British naval and military bases, use of British patents and military secrets.

In addition, it is proposed that to restore British prosperity, the United States will have to offer a substantial lowering of trade barriers against British Empire goods. In return it is expected that key colonial raw materials such as rubber, will be made available to any world democracy set up after the war.

* * *

Western Farm Income

Because wheat is so dominant in western Canada's economic picture and wheat exports have been hard hit by the war, it was feared that agricultural revenue in the prairie provinces this fall and winter would show a sharp curtailment. Early reports indicate that this falling off is not going to be nearly as severe as anticipated. The reason is largely due to the increased output of other agricultural products in the west, notably hogs, dairy lines and cattle. The Country Guide reports that "returns from livestock shipments and grain marketings alone in August and September put something over $53 millions into the pockets of western farmers. Returns from these two sources for October and November will undoubtedly be considerably higher."

* * *

Air Training Plan

Total cost of the Empire Air Training Plan in Canada is estimated at a billion dollars of which Canada's share will be a cool $600 millions.

In addition to the training schools, 130 air establishments have been developed under the plan. It has about 100 airdromes and 1,860 buildings. The paved runways of the airdromes are equivalent to 800 miles of highway of the standard width of twenty-one feet.

Last Saturday night Air Minister Power told a Montreal audience that a year from now the flow of graduates from these schools will be increased threefold. His speech commemorated the opening of the 93rd school, the Bombing and Gunnery School, at Mont Joli, Quebec.

* * *

Whither Russia?

"Use of Russian air bases," says Whaley Eaton Service of Washington, "is almost requisite if the Allies are to prosecute the war vigorously, which must involve bombing of the paper cities of Japan. Washington diplomats however, will be surprised if Moscow makes a quick decision. The Russians are traders; they want quid pro quo's. Their diplomacy does not call for "covenants openly arrived at," but does call for covenants arrived at in advance. Stalin will want to know where he stands with the Allies after the war, what trade arrangements will be guaranteed, what capital will be available for the upbuilding of Russia, what the maps will look like.

"The outlook, therefore, is that Russia will join the Allies in war against Japan. She may do so even more quickly than the diplomats anticipate. It has become a true world war and Allies in one region must be Allies in another. Russia and the U. S., in particular, have reciprocal needs that must now bind them together in a common purpose."

In the meantime this informed Service, believes that the Allies will have to mark time on the Pacific front for perhaps the next six months, until American offensive power can be built up.

* * *

Automotive Notes

Effective Jan. 15, all new automobiles must delete chrome, nickel plate and other bright metal finishes, according to orders from Ottawa. Only exceptions will be plating of bumpers and bumper guard assemblies.

Output of smaller trucks and buses will be drastically curtailed in 1942, according to another order. Trucks are divided into two classes —those under 10,000 pounds gross rating, and those exceeding that rating. Of the smaller trucks only one half the quantity produced in 1941 may be built next year. Of the larger trucks, which include furniture van, transports and buses the present year's output will be permitted due to heavy demand on other forms of transport.

More than 6,000 trucks for the army and air force were ordered last week from Chrysler Corp. of Canada. The trucks are to be delivered during the early part of 1942 for use in Empire defense.

* * *

Contracts

Contracts awarded by the Department of Munitions and Supply during the period Nov. 26 to Dec. 2 amounted to $16,837,842. Some of the larger contracts and those let to companies in which there is an investment interest follow:

Acadia Coal*	$ 6,498
Aluminum Co.	116,500
Canada Packers	237,047
Canada Wire & Cable	12,880
Canadian Bridge‡	100,000
Canadian Car & Foundry	8,302
Canadian Oil	5,506
Claydon Co.	470,998
Cons. Min. & Smelt.	7,890
Dominion Construction	1,528,000
Dominion Coal	8,950
Dunlop Tire	14,259
Dominion Tar	252,000
Ford Motor	1,775,147
General Steel Wares	95,260
Imperial Oil	107,554
McColl-Frontenac	27,674
Mercury Mills	24,760
Monarch Knitting	15,406
Regent Knitting	40,320
Rogers-Majestic	10,536
Woods Mfg.	16,275
York Knitting	34,776

*Subsidiary Nova Scotia Steel & Coal.
‡Subsidiary Dominion Steel & Coal.

HOLD HIGH THE TORCH OF FREEDOM

YOUR AFFAIRS ARE KEPT *Private*

When you become a customer of the Bank you can be perfectly sure that your business will be held in strictest confidence.

Your bank balance may be small or large, but no one will know what it is—unless *you* tell.

You may *borrow* at the Bank and no one will be the wiser—unless *you* reveal it.

You may place securities with the Bank for safekeeping and no one else will know—unless *you* tell them.

No one is privileged to intrude upon this confidential relationship of the Bank and its customers.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

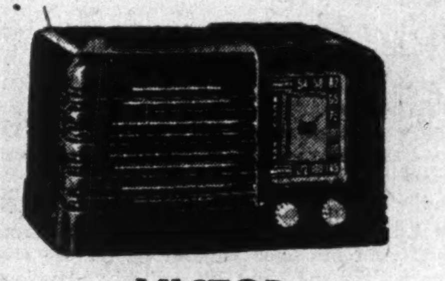
Modern, Experienced Banking Service . . . *the Outcome of 124 Years' Successful Operation*

A145

Make a Note to come to Simpson's for That Christmas Radio

Whether it's a personal radio for the bedside table, a moderately priced console, or a radio-phonograph for the whole family's enjoyment, you'll find it in Simpson's great selection.

Here is one of the most popular personal models of the famous RCA Victor line—



VICTOR
"LITTLE NIPPER"

Five-tube standard-wave chassis. Attached aerial, electro-dynamic speaker. AC-DC operation. Compact plastic cabinet — in walnut finish or ivory finish. Each 19.95

Simpson's
SIXTH FLOOR

Canada Needs More Steel From U. S. For 1942

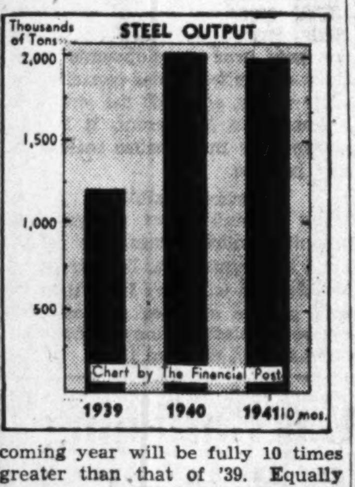
(Continued from page 1)

effective blast furnace capacity of 3,825 tons daily.

At the end of October this year, our effective blast furnace capacity was 4,675 tons daily. Similar gains have been made in steel making capacity.

While actual figures are as yet unavailable, it is expected Canadian output this year will be at least 75% greater than in 1939.

It is estimated that Canada's 1941 production of alloy steels has been five times greater than in 1939, and it is anticipated the output in the coming year will be fully 10 times greater than that of '39. Equally reassuring is Steel Controller Kilbourn's estimate that the Dominion's steel ingot production in 1942 will be more than 100% greater than that of 1939 and nearly 25% above last year's sharply expanded output.



Steel Ingots and Castings
10 Months Ended Oct. 31
(Thousands of Long Tons)

	1941	1940	1939
Ingots			
Produced by:			
Open hearth	1,754	1,488	956
Electric	130	103	52
Castings			
Open hearth	21	17	12
Converter	2	1	1
Electric	65	41	30
Ingots & castings	1,972	1,650	1,051

These impressive increases, The Financial Post is advised, have been brought about mainly through expansion of existing plants. Some of this expansion has been with the aid of government credits, with full repayment provided for. In other cases special war contract depreciation allowances for income tax purposes have been granted, according to circumstances.

Ships Need Steel

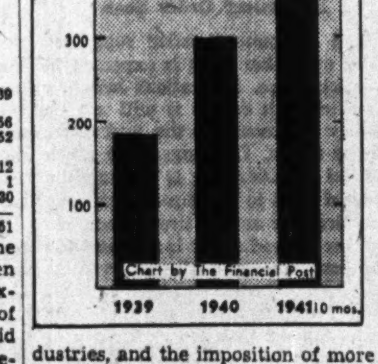
Demand for carbon steel plate for cargo and naval vessels is the heaviest in history. Canadian production this year has been fully 60% greater than in 1939, and it is estimated that in 1942 the output will be 100% greater than in 1939.

Expansion this year has been due to the coming into operation in 1941 of a new mill at the Steel Co. of Canada plant in Hamilton. By the spring of 1942 it is expected rehabilitation of an old plate mill at the Sydney plant of Dominion Steel & Coal, which had been dismantled, will be completed adding about 60,000 tons of plate capacity on a one shift basis. Pending completion of the mill at Sydney, there is an acute shortage of plates to meet the demand for steel in this form, and efforts have been made, with some success, to overcome the deficiency by imports from the United States.

Our dependence upon the United States is by no means a recent development, born of wartime necessity. Over a period of many years approximately one third of our steel requirements have been imported from that source, and this ratio is being maintained even though our total consumption for direct war and vital industries has grown to three times as much steel as would be needed in peacetime.

It is not difficult, therefore, to grasp the fact that our imports from the United States in 1942 will require to be about as much as our total consumption in a normal year.

American needs have already become so urgent that Washington has established a system of priorities which, in turn, demands more complete control in Canada to assure that a maximum of both domestic and imported steel is used for war purposes. This is going to involve a drastic reduction in the quantity of steel available to non-essential industries, and the imposition of more rigorous priorities in Canada than has been the case in the last 12 months.



Stricter Control Coming

That Canada recognizes the necessity of rigid control and stringent restrictions, is adduced by the fact that at least 85% of all the new steel being produced in the Dominion is being earmarked for direct war, indirect war and vital industries.

Continuing or raising this ratio means the deferment of all non-essential projects needing steel and the use, wherever possible, of substitute materials. Stocks of steel, therefore, are being released only on this basis, and the production schedules of the mills have been reviewed to assure conformity with this policy, and to secure deliveries for war purposes according to the degree of urgency.

In the course of preparation is an order prohibiting the manufacture in Canada of metal furniture of all kinds. The ban, it is understood, will apply to a wide range of commercial and household furniture of which steel and other metals vital to war needs form a component part. This bears out a recent prediction by Munitions Minister Howe to the effect that complete control of the steel situation in Canada would ultimately involve drastic reduction in the quantity of steel available for manufacture of a wide range of consumer goods.

More Shipbuilding

If Canada's shipbuilding programme is to be prosecuted to the limit, Canada will require huge quantities of steel for armor plate for naval vessels. Our tank building programme is another heavy user of armor plate. Canadian mills are equipped to produce 100% of the Dominion's requirements in 1942, if the steel is available.

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More How Price Control Works

gulations, there are several possible courses of action.

1. Through Commodity Prices Stabilization Corp. (newly formed Crown company), goods may be imported and sold to the ultimate user at such a price as to permit compliance with the price ceiling, the Crown company taking the loss.

Such an operation—buying abroad and selling for less at home—would normally bring automatic application of dumping duties, but these obviously do not serve some present needs.

2. The government could remit duties and import taxes. In the case of goods coming from the United States, there is at least a 20% margin arising out of the 10% war exchange tax and the 10% premium on funds, as well as normal duties.

3. Final possibility is for a direct subsidy to offset the increased costs involved.

Fear Delays

Procedure for importing under 2 or 3—getting remission of duties, or getting a subsidy—is said by officials to be strictly organized.

Formal application for such relief must be made to the Commodity Prices Stabilization Corp. and the case will be decided by the Wartime Prices and Trade Board and the Corporation. Regional officers may not decide these matters, The Post is told.

Fear of some businessmen is that there will be serious delays in dealing with such applications and some have suggested that certain consumer goods will more or less disappear from Canadian store shelves just because the importer is unwilling to take the risk involved in a delayed and probably unfavorable ruling.

To this officials say they hope shortly to be able to get rulings which will cover all predictable situations, which will mean little or no delay in handling individual applications and in assuring uniform treatment for all and on all subsequent applications.

Business is still facing conflict between rulings.

A leading confectionery manufacturer had posted price changes which happened almost to coincide in date with the base period for ceiling prices. He tried to find out if his ceiling price would be the newly announced schedule or the old one—one at which he claimed he could not do business because of prevailing material costs.

Contradictory Rulings

The first ruling was to use the new schedule. This was almost at once contradicted by another ruling to the effect that his old price list must be used.

This manufacturer had to call all his salesmen off the road for a few days and then to resume selling most of his goods at prices subject to arrangement with the Board.

An important jeweller ran into trouble in the early days of the new regulations. He applied for a license to do business as he thought was required. Licensing authorities told him that he did not require a license and returned his application. He had ordered goods from various suppliers who refused to ship goods until informed of his license number.

These licensing regulations have since been altered, making it no longer necessary for sales orders to carry the purchasers' license number and his difficulties may be ended. In the complicated ways of modern business, it is almost inevitable that certain business should have unpleasant experiences in the inaugural stages of such a system of economic control as that now under way in Canada.

The Canadian Feed Manufacturers' Association has presented a brief to the flour and feed administrator pointing out where it considers that the regulations will mean severe loss to feed retailers and many manufacturers. This brief has been largely supported by the flour trade which has almost identical problems.

Two Regular Methods

The feed trade has two general methods of stabilizing selling prices and smoothing out extreme fluctuations due to changes in prices of materials. In the first method, a manufacturer accepts contracts from his customers to cover a 90-day period and purchases his materials to cover the contracts made. Feeds not sold under contract during the 90-day period fluctuate directly with current market.

Under the second method, a manufacturer estimates his probable needs for all his customers and buys his materials ahead of an anticipated rise. He then continues to sell to his customers on the basis of his material purchase contracts even if current prices would justify higher selling prices.

In the first place the manufacturer has actually established prices—for sales not made under contract—in line with prevailing markets at all times. In the second case, the manufacturer is always below the market during a period of rising prices. Thus the first manufacturer is reasonably well protected under the price ceiling, while the second finds his ceiling permanently established below replacement costs.

Loss For Retailers

For a retailer operating under the advance booking method, he might be selling during the base period goods contracted for in June when material prices were far below November levels. One retail feed dealer has an individual price ceiling on barley meal of $1.42½ per cwt. His replacement cost today is $1.38, leaving only 4½ cents per cwt. to cover shrinkage, handling, grinding, bagging, warehousing, delivery and other costs. His normal margin would be from 25 to 30 cents per cwt. If barley rose to its ceiling price, this dealers' cost would be $1.47 a cwt. against his price ceiling of $1.42½.

Another dealer contracted for enough dairy feed in June to carry him through the base period. He established a retail ceiling of $50 a ton. Today his replacement cost from a manufacturer who followed the first method of pricing is $3 a ton over his individual retail price ceiling.

Can't Be Passed Back

The Feed Association brief states it has "most thoroughly explored the practicability of feed manufacturers and suppliers of raw materials accepting a sufficient share of this burden to enable the retailer to maintain his ceiling price and still remain in business." It is found, however, that "no assistance toward a lower retail price of grains and feedstuffs can be expected from the primary producers of these raw materials."

The brief states that the association is "definitely unwilling" to recommend that these losses be offset by government subsidy. Instead it recommends that:

Plan Advanced

"Instead of requiring the lowest individual ceiling to become the universal ceiling (we recommend), that the retail ceilings of those merchants who were buying in the market during the basic period become the universal ceilings." This would mean acceptance of the ceiling as established by the majority of dealers, it is said.

New York-Toronto Airline Travels As Usual

Despite reports to the contrary, there has been no interruption of routine airline schedules between Toronto and New York, The Financial Post is officially informed. An air raid alarm in New York caused some temporary suspension of air line services but this did not affect the Toronto-New York service.

American Airlines, operating the service between Toronto and New York, states that if interruptions occur because of national defense, it is expected that they will be of short duration and in such cases planes will be held for later departure.

Say Wenner-Gren Behind Mexican Pulp Mill Plan

From Our Own Correspondent

MONTREAL. — Axel Wenner-Gren, Swedish financier, in association with a group of American financiers, is reported to be behind plans to construct a pulp and paper plant in Mexico, according to despatches from Mexico City. No further information is available as to how far plans have advanced.

For some years there was a small newsprint plant operating in Mexico, but it closed down a few years ago.

Before the war Mexico was securing some newsprint from Germany, under a barter arrangement, but since the outbreak of war all of the country's requirements have been supplied by Canada.

The report from Mexico City is regarded by Canadian newsprint manufacturers with little concern, the point being made Mexican publishers have arranged for their supply of Canadian newsprint for some time to come.

Manitoba Names Insurance Official

Gerald S. Rutherford has been appointed legislative counsel to the Manitoba government and deputy superintendent of insurance for Manitoba. The appointment fills the vacancy left when Wilson E. McLean resigned a year ago to become manager of the Canadian Inland Underwriters' Association at Toronto.

C. D. S. Trust Reports Lower Share Value

From Our Own Correspondent

MONTREAL. — Consolidated Diversified Standard Securities reports that at Nov. 30, 1941, net asset value per share of the company's preferred stock amounted to $17.97. This contrasts with a revised value of $20.82 a share a year ago.

NEW YEAR'S EVE
Dinner and Dance
Commencing at 10 o'clock
ROMANELLI'S ORCHESTRA
Hats! Balloons! Noisemakers!
$4.00 PER PERSON
Make Reservations Now—WA. 7474

New Year's Day Special Mid-day Family Dinner
12 noon to 3.30 p.m. $1.75 person. Music by Romanelli and Victorians Quartette.

Old-Fashioned New Year's Dinner
From 6 p.m. Music by Lawrence DeFoe Singers, Victorians Quartette, Romanelli. $2.50 per person. Dancing from 10.30.

KING EDWARD hotel

P. KIRBY HUNT MANAGER

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Uxbridge, Ont.	Dec.	Harris, Ramsay & Co.	4%	1942-46	$7,908	102.90	3%
Kingston, Ont.	Dec.	Wood, Gundy & Co.	3%	1942-51	37,007	101.33	.....
			3¼%	1942-51	15,000	102.64	2.75%
Antigonish, N.S.	Dec.	Dominion Securities Corp.	4%	1942-49	7,000	101.81	.....
Dominion—							
Canada Treasury Bills	Dec.		....	Mar. 13, '42	45,000,000	99.864	.545%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Hotel Dieu St. Vallier of Chicoutimi, P.Q.	Dec.	Paul Gauthier & Co, and Oscar Dube & Co.	4%	1942-49	$56,500	.....	.....
			4½%	1950-53	543,500	.....	.....

Should and how could British Empire, United States and Russia go further in pooling and co-ordinating use of all war resources?

Collectively the British Empire, United States, Russia and the Netherlands control most of the world's oil, rubber, gold, tin, nickel and other strategic metals, as well as a major portion of the developed industrial strength and food sources.

Individually however, these holdings and concentrations are scattered widely and some of them are now seriously menaced by the Axis powers. Because of this menace and its possible effect on the fighting powers of any or all of the new Allies, The Financial Post in its telegraph question this week, asked a group of representative Canadians:

> **"Should and how could the British Empire, the United States and Russia go further in pooling and co-ordinating the use of all war resources?"**

Real pooling of these resources would mean that any material needed, raw or finished, would be available to all of the Allies without restriction. There would, of course, have to be some sort of joint control and supervision to insure an adequate flow of materials to the various "fronts." Volume and priority of this flow would be based on needs in relation to the war as a whole.

E. E. Buckerfield

President, Buckerfield's Ltd., Vancouver, and prominently associated with milling, shipping, power and other interests in British Columbia.

I am heartily in accord with the policy of pooling the war efforts of the British Empire and her allies to secure maximum effort for victory in shortest possible time. I understand that it was to help achieve this end that recent Moscow meeting took place.

I do not consider that I am qualified to offer any advice of value as to how further co-ordination can best be obtained. I think that this is a matter for decision by experts of the allied governments who should be fully aware of their countries present needs and supplies and future productive capacities.

* * *

W. L. Brintnell

Of Edmonton, president, Mackenzie Air Service and authority on aviation.

The best way Russia can aid the British Empire and the United States in the pooling and co-ordination of all war resources is to declare war on Japan. Then a flow of United States aerial equipment could be sent by way of Canada and Alaska to Russia.

This would permit a constant short range bombing attack on Japan to cripple her industries. The destruction of Japan's industrial might by air together with the elimination of Japan's naval strength by the combined efforts of the United States and British fleet will quickly bring Japan to her knees.

* * *

Adelard Godbout

Premier of the Province of Quebec.

I surely believe the British Empire should pool and co-ordinate all war resources with our allies. It seems to me that statesmen responsible for the conduct of the war are already heading toward that end.

* * *

W. M. Houston

Managing director, Houston, Willoughby & Co., Ltd., of Regina, prominent in western financial circles.

I feel sure that Saskatchewan people would support any conclusions arrived at by Churchill after he has consulted with various British Commonwealth Government leaders and thereafter decided, with Roosevelt and Stalin, for increased pooling and co-ordinating of all resources to win sweeping victory.

As chairman Regina Branch Canadian Institute International Affairs, I conclude from recent discussions among membership that it is well realized that postwar problems in western Canada are fraught with grave difficulties if our prairie economy is to be sustained. But details are multifarious and generally speaking decisions must be left to administrations.

* * *

G. E. A. Jeffery

Editor, The Evening Telegram, St. John's, Newfoundland.

I favor supreme army council for all military operations, Canadian and American in North America, with full use of port, railway, road and other facilities to both. Resources of one country should be made available to other on call. Naval operations should be under similar council, with single commander-in-chief and air services similarly co-ordinated.

For effective co-ordination in Pacific the co-operation of Russia is essential and with the object of securing Russia's participation against Japan, every possible effort should be made.

To enable China to employ fullest strength against the enemy she must have supplies and it is worth considering whether concentration against, say Canton, to smash blockade, wouldn't be more important than attempting to keep open Burma Road.

* * *

Robert McKee

Managing Director, Canada Grain Export Co., of Vancouver, and former president of the Vancouver Board of Trade.

I have no knowledge as to the steps already taken or under consideration but everything possible should be done to co-ordinate use of all war resources of all allied nations.

I would recommend the creation of grand strategy council with headquarters perhaps in Washington. To this all production and transportation boards in all allied nations would report. Each production or transportation board in each nation would have in its personnel one or more expert representatives from each of the other nations not only to pool the brains but to ensure that major decisions made shall be the most practicable considering the situation as a whole.

* * *

J. R. McLeod

Editor, Halifax Chronicle and Star, Halifax, N.S.

All the resources of the British Commonwealth, the United States and Russia can and should be pooled for war purposes. In the face of a common emergency victory depends upon co-ordinated action.

Fullest advantage of manpower and economic resources can only result if the three countries named and China operate as separate but integral parts of one mighty whole.

The joint Canadian-United States committees on defense and economic warfare provide a model for the wider concerted plan of action.

* * *

Col. W. G. MacKendrick

Of Oakville, Ont., president Warren Bituminous Paving Co., associated with other large Canadian industries and owner of famous Jersey farm.

Unity of command is prime necessity for winning the war. It is essential that all participants co-ordinate views and supplies.

Only under supreme command is there hope of victory . . . I would suggest that each ally in Pacific war appoint air, army, navy and resources representative to co-ordination higher staff, whose head should be commander-in-chief. Under him would be British admiral, of war experience, to handle joint naval forces while American General McArthur should command all land forces in the Pacific area.

British and American war resources controllers must adopt joint pooling of manufacture of guns, tanks, planes and ships for victory.

* * *

M. E. Nichols

Editor, Vancouver Province, Vancouver, B.C.

Maximum strength against the enemy should be the objective of pooling and co-ordination of the resources of the British Empire, United States and Russia. This should be subject to no reservation whatever. It should go to the length of incurring minor hazards to enhance collective power against the aggressor nations.

Unified direction of the war is highly important if it can be brought about and to this end advisory councils should be set up for study of the world war map and determination of areas in which vital blows can be struck with best promise of success.

* * *

J. R. Petrie

Professor of Economics and Political Science, University of New Brunswick, Fredericton, N.B.

It would be a stroke of real leadership for the British Empire, United States and Russia to effect complete co-ordination and pooling of all resources. No half way measures will suffice in the all out effort necessary to smash Axis. Complete integration of all allied production capacity is essential.

This suggests the need for joint allied high command of all fighting forces. Such joint command could clear all Allied war requirements through central clearing house which might take form of Allied supply board. This, of course, presupposes closest kind of co-operation and powers of priorities, allocation, requisitioning and rationing.

* * *

R. C. Wallace

Principal, Queen's University, Kingston, and advocate of closer American-Canadian relations.

The situation will be clarified when Russia and Japan are at war.

Joint boards should be established to co-ordinate war production, man power, available resources and strategy by land, sea and air. They should function continuously for all the Allies in order that comparable demands be made on the resources human and material of all the countries that are fighting against the aggressors.

We are in a common cause and must make common sacrifice in order to secure victory.

Tramway Plan Meets Approval

From Our Own Correspondent

MONTREAL.—Following approval by the first mortgage bondholders of the plan of reorganization for Montreal Tramways Co., holders of the general mortgage bonds gave their sanction to the scheme. All that remains now to put the plan into effect is to secure an order from the Superior Court.

Present at the general mortgage bondholders' meetings, in person or represented by proxy, were holders or $17,281,900 par value of the outstanding bonds. The vote on the motion to approve the scheme was $17,127,300 in favor and $80,700 against.

Basis of Plan

Briefly, the plan provides for a reduction in the present first mortgage from $23.6 millions to $19.7 millions; extension of the maturity date of bonds for 10 years to July 1, 1951, on the same general terms and conditions; purchase of $720,000 of bonds for retirement within three months of adoption of the scheme, and establishment of an annual sinking fund of $700,000 commencing July 1, 1942.

In respect to the general mortgage bonds, security for the issue will be modified by release from the lien and cancellation of $2,260,000 of first mortgage bonds. The new general mortgage bonds will be divided into two series: Series "A" payable three ways as to principal and interest to holders who were bonafide residents in countries other than Canada on April 17 last, and the Series "B," payable as to principal and interest in Canadian currency only, to be offered to all holders resident in Canada.

These two series of bonds will themselves be divided in sub-series, one bearing interest at 5%, to replace the present Series "A," "B" and "D" bonds, the second bearing interest at 4½% to replace the present Series "C" bonds.

A sinking fund to be established for these bonds involves payment by the company of $350,100 on or before April, 1952; $367,400 on or before April 1, 1953, and $385,300 on or before April 1, 1954.

It is also provided in the plan the company shall not at any time pay dividends on its capital stock unless it shall have retired an amount of the new general mortgage bonds at least equal to the amount which the present general mortgage bonds which would then have been retired by the existing sinking funds if they had continued in operation, and in any event not until at least $2 millions of the new general mortgage bonds are retired.

SWEET CAPORAL Cigarettes
WITH BEST WISHES

The Season's Best
SWEET CAPORAL
CIGARETTES
In Gay Christmas Packages 60¢ $1.20 $2.40
"The purest form in which tobacco can be smoked"

C.P.R. Asks Court Ruling On Labor Law Status

From Our Own Correspondent

MONTREAL. — Collective labor agreements in effect in Quebec are not applicable to railways of Canada which are governed by the Railway Act, the Canadian Pacific Railway contends in proceedings before the Superior Court of Montreal.

In a petition for writ of prohibition to prevent the criminal courts from hearing a charge against the railway of refusing to give information to the Joint Committee of the Building Trades, the railway opens a fight to determine where the railway stands as regards local labor legislation in the various provinces.

In its petition the railway company contends the Federal statute, the Railway Act, adopted by the Parliament of Canada, over-rides the Quebec Collective Labor Agreement Act. At present, wage agreements with its employees represented by the American Federation of Labor are in effect.

"If Collective Labor Agreement Acts apply to the railway," the petition states, "civil rights outside of this province will be affected. In the present state of war, orders-in-council have been adopted by the Governor-General-in-Council and any interference by the provincial legislatures, or by groups or committees purporting to be authorized by them, with the relation between the railways and their employees, would be a matter of great national importance and would imperil the national welfare, peace, order and security."

B. C. Blackouts Cut War Output

But Business Now Back in Its Stride

From Our Own Correspondent

VANCOUVER.—Most serious consequence of the blackouts on the British Columbia coast has been the enforced shut down of night work at all six of British Columbia's largest shipyards engaged in building naval craft and cargo ships, at the big new Boeing aircraft factory at Sea Island, building PBY flying boats; at the pulp and paper mills up the coast, and at more than 50 sawmills, many of them engaged in cutting lumber for defense purposes.

By the time the blackout was lifted, however, most of the larger plants had already made arrangements to carry on under dark conditions by covering their skylights and windows, and if another blackout is ordered war production may not be seriously interrupted.

City merchants feared that prolonged blackout might ruin their Christmas business, because they were obliged to close their stores an hour or so earlier than the usual time, and even drug stores virtually shut up shop in the evening hours. Store operators co-operated with the authorities, but they welcomed the return to normal conditions at midweek.

Transportation Problem

Street cars maintained their regular schedules with blinds drawn. Motor cars were permitted to operate at 15 miles an hour provided their lights were blackened out except for a narrow slit. There was a run on supplies of all kinds suitable for blackout purposes—blinds, heavy paper, curtain material and paint.

Three successive nights of dusk-to-dawn blackout gave Vancouver, Victoria and other coast cities an unexpected experience, but business and industry are back in stride, and most of the civilian anxiety has passed.

The shock of war came with alarming impact on the night of December 8 when the military authorities announced that "invasion was imminent" and ordered a blackout at once.

The immediate effect was to make British Columbians increasingly conscious of war; stimulated recruiting in all branches of the service to such an extent that enlistment officers were unable to keep their records up to date. Four thousand A.R.P. wardens volunteered in Vancouver alone, and plans were made for a total force of 15,000.

Plans for evacuation of civilians in the event of emergency were pushed forward under the direction of Major Austin C. Taylor, and hospitals and other public services made speedy arrangements for improving and extending their accommodation in case of bombing and heavy casualties.

Pledge Allegiance

Fears of trouble with some of the 24,000 Japanese living in British Columbia, mostly in the populous sections surrounding Vancouver, were quickly allayed when large bodies of Japanese pledged their allegiance to their adopted country anew, and more than 1,000 Japanese fishermen complied without protest to regulations that would deprive them of their livelihood until the period of tension had passed. The entire Japanese fishing fleet which during the past summer and fall has played an important part in catching salmon and herring for record United Kingdom orders was tied up, and naval officers immobilized each craft by removal of the carbureters and other essential gear.

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WINNIPEG VANCOUVER

Little Man-
WHAT
NOW?

As the New Year dawns, most of us must wonder what it holds in store. We cannot know the future, but one thing is certain—the better we know and understand the story of 1941, the better we will be prepared for the problems of 1942.

The GLOBE AND MAIL'S annual feature number, "Canada's VOICE OF BUSINESS," to be published on January 8th, will devote its attention to a complete study and review of Canada's war effort in the year just ended. It was a proud record. It is a story Canadians should know fully.

This number will analyze the progress made by labor, management, business and finance, and interpret them in terms of the present and the future.

Factual and statistical data will be supplemented by a wealth of illustration and pictorial interest.

Key men will express their views; altogether it will be a number Canadians will want to study and keep.

Remember the date.—Watch for

Canada's
VOICE OF BUSINESS
Feature Edition of
The Globe and Mail

TO BE
PUBLISHED
ON
JANUARY
8th

Investment Trends

Reaction to Jap War Remains Moderate

Failure to Experience Speculative Rebound Suggests Slower Recovery — Canadian Stock Groups Show Small Losses and Some Gains

Measured by stock market averages it must be admitted that the decline following the start of the war with Japan has been moderate. At New York, industrial stocks dropped about 6.4%; in Toronto the decline was only about 4.5%, in each case measured to the low point reached. London and Montreal showed considerably smaller declines.

Since then there have been recoveries although nothing to encourage much speculative optimism. There seems a possibility that real recovery from panicky selling may be delayed for a while and there has not yet been a real indication that there will not be some further declines.

Much will depend on news from the war fronts and on the growing realization on the part of investors of the extent to which their way of living may have to be modified until this war is won. Liquidation of stocks arising from last week's drop in price did not prove so heavy that the market could not absorb it without too much difficulty. Certainly it did not compare with what happened in May and June of 1940.

There continues to be a widely held opinion that periods of weakness offer buying commodities, based largely on faith in the ultimate outcome of the war and the likelihood of a continuation of out established institutions.

* * *

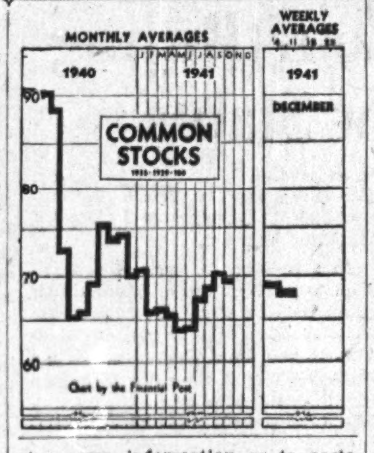
Group Actions

Among Canadian stocks, heaviest losses from Dec. 4 to Dec. 11 occurred in the machinery and equipment, pulp and paper, milling, beverage and transportation groups. In most cases, these groups, as outlined by the Dominion Bureau of Statistics, contain a fair number of more speculative stocks. It indicates that the greatest losses were felt where gains in recent months had been largest.

Two groups, industrial mines and telephone and telegraph, actually showed fractional gains over the week. How the various groups reacted to the Japanese war is shown below:

Moves in the Averages

	Dec. 4	Dec. 11
Machinery & equipment	78.3	75.6
Pulp & paper	77.0	72.8
Milling	76.1	69.8
Oils	50.8	50.3
Textiles & clothing	110.8	110.0
Foods	91.5	89.9
Beverages	106.6	101.6
Building materials	78.0	75.9
Industrial mines	68.0	68.4
Transportation	66.2	60.8
Telephone & telegraph	95.7	96.0
Tower & traction	64.1	62.1
Banks	91.4	91.1



* * *

Study Business Controls

One thing that events following the latest enlargement of the war seem to emphasize is the importance for investors to study business trends. They should have a clear idea of how their companies are feeling the growing list of restrictions. They should consider the chances of postwar recovery if wartime controls are particularly severe.

Examples of this can be found in more than one story elsewhere in The Post this week. Take the rubber industry as an example. Clearly this is one industry that war in the Far East threatens. Prices of Goodyear Tire common reflected this when they declined from $75 a share on Dec. 5 to $67 a share on Dec. 13. About $4 of this drop, however, can be credited to the fact that the shares sold ex-dividend this amount on Dec. 12.

Then there is the whole group of restrictions of steel use for nonessential items, many of which are of importance to investors. The point to be emphasized again is that the informed investor must study more than the news about his own company.

* * *

Abitibi Costs

A correspondent wants to know to what extent Abitibi's current assets are "being absorbed by the charges of lawyers and liquidators who by their actions are delaying the freeing of Abitibi of their charges." This man, who claims to hold both bonds and shares in this company, says that "from time to time my hopes of obtaining some return on my cash outlays, overdue for 10 years or more, have been dashed by a continuity of legal delays, the effect of which, so far as I can see, is only to segregate some of the cash due to the bond and shareholders into other pockets." He suggests that publication of the total amount of legal and liquidating expenses "might raise a storm of protest."

There is a point here which cannot be dismissed. It is obvious that legal talent of the calibre interested in the Abitibi affair cannot be hired cheaply. Then there is the cost of such affairs as the Royal Commission enquiry into the company's affairs, an enquiry that so far has failed to lead to a solution of the troubles.

How great the final expenses will be of getting Abitibi out of receivership and bankruptcy cannot be guessed. There is no indication of an end in the legal battles about which our correspondent complains nor have all the bills been presented as yet.

But the receiver's annual reports give some information as to costs. G. T. Clarkson, receiver and manager, gets $48,000 annually out of which he is expected to pay certain expenses. There is another annual item for $48,000 termed legal, audit and accrued expenses. Expenses of the liquidator were only $1,800 last year and have never been above $3,200 in one year. The bondholders' committee has only put in two items of expense which total about $4,300. Special reports, largely arising out of reorganization attempts, have run up a total of $109,000 and there have been court and special meeting costs of about $19,000.

* * *

Using Wheat

How a large baking enterprise promotes the consumption of wheat is illustrated by statements made by the George Weston, Ltd. This company, and its associates, operate in Canada, the United States and Great Britain. They are a development out of a small enterprise started over 50 years ago by the father of the present head.

Now it has grown until the group uses over 15 million bushels of wheat each year. It employs over 16,000 workers in the three countries in which it operates.

I.H.E. System Loss Is Held Down

Increase in Taxation Offsets Gain in Operating Revenues

From Our Own Correspondent

MONTREAL. — International Hydro-Electric System and subsidiaries report net loss of $480,491 for the quarter ended Sept. 30. This compares with a net loss of $481,283 for the like 1940 period.

Net loss for the latest quarter was after provision of $1,248,927 for United States normal taxes and $315,000 for Canadian income and excess profits taxes. For the same 1940 period $835,451 was set aside for U. S. taxes and $328,000 for Canadian taxes.

Total revenues for the September quarter amounted to $19.2 millions against $78.1 millions, while total operating expenses were $8.5 millions compared with $7.9 millions.

For the 12 months ended Sept. 30 the company and its subsidiaries showed a net income of $9,259 against net income of $237,034 a year earlier.

Canada Adding To Power Plants

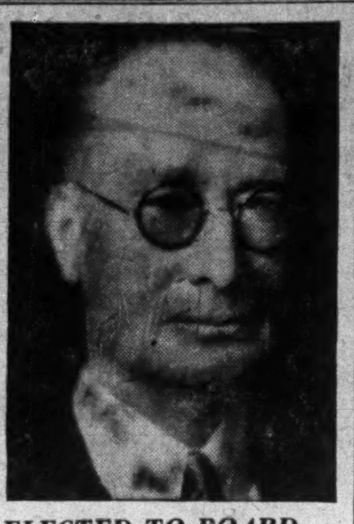
From Our Own Correspondent

MONTRAL.—On the basis of work already in progress, Canada will add another 175,000 h.p. to her installed water power capacity during 1942.

This work is distributed across the country, with Nova Scotia accounting for approximately 4,700 h.p.; New Brunswick, 10,000 h.p.; Quebec 65,000 h.p.; Ontario, 66,000 h.p.; Alberta 23,000 h.p. and British Columbia 3,000 h.p.

INVESTMENT SECURITIES

NESBITT, THOMSON & COMPANY, LIMITED
355 St. James Street West, Montreal
Branches in the principal cities of Canada



ELECTED TO BOARD

Edward Anderson, of Winnipeg, and Colin W. Webster, of Montreal, have been elected directors of the Canadian General Insurance Co., to fill the vacancies caused by the death of E. W. Kneeland and Senator Lorne C. Webster. Mr. Anderson (above) is chairman of the Winnipeg Electric Co. and a director of various other companies. Mr. Webster is a prominent Montreal industrialist on the board of a number of corporations.

Canada Dry Plans Stock Increase

To Create Preferred Issue to Be Sold For Working Capital

Shareholders of Canada Dry Ginger Ale are meeting Jan. 12, 1942, to consider proposals for a new issue of 30,208 preferred stock to have a dividend rate of not more than $5.50 a share and not less than $5. At the same time, a proposal to increase common shares authorized from 800,000 to 850,000 is to be voted on. There are 615,157 common shares now outstanding. The additional common is to be reserved for conversion of the new preferred and for other corporate purposes.

It is proposed to offer a new preferred to common shareholders, for a limited period, in the ratio of one new preferred share for each 20 common shares now held.

It is stated that the company has had to borrow $500,000 from banks since Sept. 30 and it is anticipated this amount may be higher by the end of 1941.

de Havilland Pays $7 on Pf.

Company to Play Important Role in Canada's New Airplane Plans

A dividend of $7 a share has been declared on the preferred stock of The de Havilland Aircraft of Canada, payable Dec. 29, 1941, to shareholders of record Dec. 16. Arrears after allowing for this payment will amount to $61.25 a share. A year ago de Havilland paid its first dividend of the same amount since 1931.

Currently the company is employing about 2,400 at its plant near Toronto and occupies 400,000 sq. ft. of floor area. Under the revised Canadian airplane production programme, de Havilland will continue on orders for Canadian Anson fuselage construction and assembly, assembly of English Ansons and installation of American engines in English Ansons.

In addition the company will work on a $20 millions order for a secret British service type aircraft. The de Havilland Tiger Moth plane, which has been a standard primary trainer with the R. C. A. F., is being superseded by the Fairchild Freshman.

Income Tax Enquiry

Gift Tax Exemptions

To what extent are gifts made during the year exempt from the gift tax provisions of the income war tax act? Does it make any difference whether the gifts are made from investment income or earned income?

According to section 88 of the Income War Tax Act, a taxpayer is entitled to exemption from gift tax on gifts up to (1) $4,000 or (2) half of his income for the year, after Dominion income tax has been deducted, whichever way of reckoning gives the greater exemption. Thus in the case of a man with an income of $10,000 on which he had paid taxes of say $2,800, the $4,000 exemption would be better but in the case of a man with an income of $20,000 on which he has paid income tax of say $8,000, the exemption of half his income after deducting Dominion income taxes would be better. It makes no difference whether the gifts are from investment or earned income.

Market Opinions

Stock market declines following the active entry of the United States into the war do not appear to have unduly disturbed market commentators in New York.

Magazine of Wall Street, N.Y.—Depending importantly on the nearby news, we would not be unduly dismayed if this market had a few more jittery sessions. We would not be unduly disappointed if the next period of short-range improvement proved to be merely a rally. But we remain convinced that the potentiality of ultimate sustained movement in the averages is considerably greater on the side of advance than on the side of decline—and we are inclined to doubt that we shall have to wait very far into 1942 before this potentiality begins to be translated into actuality.

* * *

Journal of Commerce, N.Y.—Behavior of individual groups of stocks will be influenced more and more by postwar prospects for individual industries. So long as the conflict continues, corporate earnings will necessarily be restricted by higher taxes and by the necessity facing most civilian industries to curtail operations or to obtain defense contracts that may or may not yield a profit. Present share quotations generally discount this to a considerable extent although adjustments of individual stock prices will surely follow later as the provisions of the new tax laws and other circumstances become known. Industries which can look forward with some certainty to a return of normal earning power following the end of the war should be favored to an increasing extent as time goes on. Those which would be hard hit by a contraction of government orders, on the other hand, will be at a relative disadvantage.

* * *

Barron's, N.Y. (The Trader)—Though the average advance from the lows has to date been extremely moderate, the quiet tone is suggestive of the relaxation of emotionalism. The longer maintained the period of quiet, which is the surest sign of the ridding of the market of the germs of liquidation, the sounder must be the base upon which it stands. The United States is at war and war markets are notoriously sluggish. Yet with all the uncertainties of taxation and controls and the varied fortunes of war, it is still difficult to demonstrate the long-term advantages of cash over the yields now available from the common stocks of some of the biggest peace or wartime industries in the world.

* * *

Barron's, N.Y. (The Dow Theorist)—To reconfirm the bear market trend which began in September, 1939, would require a decline in the rail average below 22.14, which to date has not occurred. A bull market might be recognized if both averages should from the present low point rise in the well defined intermediate uptrend lasting some weeks, then fall without jointly breaking last week's lows, and then advance to new highs for the move from present levels. Recognition of a bull market does not require a rise by the industrial average above its November, 1940, high of 138.12. For the near-term trend of stock prices, the viewpoint is emphasized that whenever the industrial average falls below 120 the time has come to look for buying rather than selling opportunities. The decline of Dec. 8 and 9 was the mildest panic of the Hitler era. Whether or not new lows are to be seen, the very inability of both averages, in spite of the stress of the times, to fall into definitely new low territory is evidence of the slow exhaustion of liquidation.

Gurney Net Up For This Year

Volume of business of Gurney Foundry Co. for 1941 has been higher than for 1940. It is expected that net profits this year will be somewhat above last year although this may be subject to year-end adjustments.

Outlook for 1942 is not at all clear. Government restrictions on stove manufacture mean a reduction of at least 25%, according to present regulations. Thus, prospects for next year are largely dependent on ability to develop new business or obtain government orders, in none of which the company has been very successful as yet.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's 95
(Base 1935-39=100)												
1929-40:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	49.8	63.6	46.5	76.0	76.9	67.0	71.2	68.2	84.6	68.4	64.0
1941:												
Monthly Figures:												
Jan.	77.6	74.1	72.1	51.6	110.6	96.3	104.3	84.0	75.4	94.7	77.3	71.3
Feb.	72.9	63.6	69.5	48.7	105.0	90.1	96.6	77.3	68.8	90.9	71.3	66.5
Mar.	73.6	65.4	69.5	49.5	103.1	87.9	93.7	78.5	67.0	89.9	70.7	66.8
Apr.	73.2	63.9	68.6	49.4	101.3	88.6	88.1	77.8	62.2	89.7	68.2	65.8
May	71.8	59.7	63.4	51.3	97.4	88.6	82.8	74.4	60.3	88.3	65.2	63.9
June	72.0	59.5	67.5	48.0	101.1	90.1	87.3	74.9	62.0	89.0	67.1	64.0
July	76.3	66.1	67.5	48.4	105.7	90.5	94.3	77.8	65.3	89.7	70.6	67.5
Aug.	76.8	70.2	72.4	49.1	106.3	91.8	95.7	79.7	64.4	89.7	71.2	67.8
Sept.	80.5	78.5	75.1	51.3	108.4	93.3	102.4	82.4	68.8	91.2	74.7	71.0
Oct.	78.3	75.5	74.5	51.2	105.7	91.9	98.7	78.9	67.2	90.8	72.5	69.1
Weekly Figures:												
Nov. 6	78.2	75.1	73.3	53.1	109.0	91.9	100.7	77.7	66.1	90.7	71.7	69.2
Nov. 13	78.2	75.8	74.2	53.0	110.5	90.6	102.0	77.8	66.2	92.0	71.5	68.6
Nov. 20	78.0	77.9	76.1	52.4	109.7	90.7	104.0	78.1	65.4	92.1	71.1	68.7
Nov. 27	78.5	76.7	75.8	53.1	110.9	90.8	103.7	77.7	64.4	91.8	70.2	68.5
Dec. 4	78.3	77.0	76.1	50.8	110.8	91.5	106.6	78.0	64.1	91.4	70.6	67.9
Dec. 11	75.6	72.8	69.8	50.3	110.0	89.9	101.6	75.9	62.1	91.1	68.3	67.0

*High and low for year from 1929 to 1940 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Dec. 16	92.29	84.96	69.12	18.44
Dec. 15	92.23	85.65	69.06	18.46
Dec. 13	92.04	85.97	69.09	18.51
Dec. 12	91.79	85.62	68.90	18.43
Dec. 11	91.97	85.59	68.69	18.44
Dec. 10	90.22	84.14	66.67	18.34
Month ago	94.70	86.93	68.63	18.73
Year ago	100.74	109.07	67.89	21.47
High 1941	103.48	109.76	75.30	21.62
Low 1941	85.87	83.96	59.30	16.73

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Chd.	10 Pprs.	15 Golds
Dec. 16	41.6	60.1	53.99	75.70	57.42
Dec. 15	41.7	59.9	53.9	75.37	57.68
Dec. 13	41.7	60.2	54.0	75.23	58.10
Dec. 12	41.9	59.9	53.9	75.23	58.10
Dec. 11	41.9	60.1	54.0	76.06	57.76
Dec. 10	41.7	59.1	53.3	73.47	56.82
Month ago	44.0	61.1	55.4	77.71	59.64
Year ago	54.9	66.8	62.9	82.44	79.89
High 1941	54.3	66.6	62.3	88.90	79.99
Low 1941	41.6	52.3	49.3	58.96	56.82

Honey Dew Net Rises Sharply

Gains Nearly 50% From Higher Sales in Modern Shops

According to E. P. Taylor, president, the 19% increase in sales of Honey Dew Ltd. for the year ended Oct. 31, 1941 was mainly attributable to the programme of shop modernization carried on in recent years and to the maintenance of high service standards.

The modernization programme, involved heavy expenditures bringing current liabilities to $113,245 above current assets at the end of the 1940 business year. Increased earnings in the year just past have permitted the reduction of this excess of liabilities to $60,638, with the $33,442 bank overdraft of last year completely repaid.

Although taxes rose approximately 50% and depreciation allowance was increased nearly a third, the increase in sales was sufficient to bring net profits up nearly 50%. Earnings per share after all charges advanced to $3.89 from $2.70 the year before. Dividends during the 1941 year amounted to $2 per share, twice the figure for 1940.

Important factor in the rapid advance in per share earnings of Hohey Dew is the reorganization which took place in 1939. Outstanding capital at the time included 15,000 shares of preferred and 108,500 shares of common stock. The reorganization cut the outstanding share capital to a current figure of 20,645 common shares. The $130,500 of 6% debentures is convertible into common stock at the rate of 5 shares for each $100 of principal of debentures outstanding.

Income and Surplus Account Years Ended Oct. 31

	1941 $	1940 $
Sales	1,716,279	1,433,668
Less: Cost of sales	1,479,990	1,260,146
Operating profit	236,289	173,522
Add: Other income	934	771
Less: Depreciation	96,798	73,868
Interest	15,079	14,233
Income taxes	45,000	30,500
Net profit	80,346	55,692
Less: Dividends	41,290	20,535
Surplus for year	39,056	35,157
Add: Previous surplus	208,181	173,024
Surplus forward	247,237	208,181
Earned per Share:		
Common	$3.89	$2.70
Paid	2.00	1.00
Working Capital		
Current assets	117,040	87,621
Current liabilities	177,678	200,866
Working capital*	60,638	113,245

*Excess of current liabilities over current assets.

Locomotive Firm Pushes Tank Work

From Our Own Correspondent

MONTREAL. — Montreal Locomotive Works Ltd. now has well into operation the new tank arsenal built for the Canadian government at a cost of $5 millions. The building measures about 420 by 850 feet, affording 350,000 square feet of working space, and is one of the largest single-roofed buildings devoted to war work in the Dominion.

At present this unit, which started in September, is working solely on the production of RAM tanks. In other parts of the company's plants, the following war materials are being turned out: shells, marine engines, heat exchangers for oil refineries, miscellaneous forgings for corvettes, etc., and locomotives for Canadian railways.

Montreal Tramways Seeks Sanction of Plan

From Our Own Correspondent

MONTREAL. — Montreal Tramways Co. will apply to the Superior Court of Montreal on Dec. 19 for sanction of the scheme entered into between the company and holders of the first mortgage and general mortgage bonds. Application will be made under Division 3 of the Quebec Railway Act.

Inter. Coal & Coke Pays 1½c Dividend

A dividend of 1½ cents a share has been declared by International Coal & Coke Co., Coleman, Alta., payable on the common stock on Dec. 24, 1941, to shareholders of record Dec. 20. This is the second payment of the same amount to be made by this company for 1941.

Distillers-Seagrams Issues More Stock

From Our Own Correspondent

MONTREAL.—Distillers Corporation-Seagrams Ltd. advises the Montreal Stock Exchange that payment has been received covering an additional 150 common shares under option agreement with Frank R. Schwengel and assigned to Jeanne S. Schwengel. There are now 1,753,420 common shares outstanding.

C. I. L. Cuts Payment On Common Stock

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. has declared a final dividend of $1.50 a share on the common stock, payable Dec. 26 to shareholders of record Dec. 19. This makes the total distribution for the year $6.25 a share, compared with $7 a share in 1940.

Refrigerator Sales Down

From Our Own Correspondent

MONTREAL.—Restriction in installment selling, scarcity of materials, etc., are beginning to make themselves felt in the sale of refrigerators in Canada. During October there were 1,519 units sold. This compares with 1,790 units for the same month last year.

Cumulative sales of refrigerators in Canada for the first 10 months of this year aggregate 53,899 units against 53,704 units for the like period in 1940.

Disher Steel Co. Holds '40 Level

Expect Volume and Earnings to Approximate Last Year's High

Volume of business handled and net profits for Disher Steel Construction Co. in 1941 have been running very close to 1940 levels, The Financial Post is told. This indicates that net profits will not be far from last year's $3.05 a share earned on the class A. Last year's results for this company were considerably better than had been reported for a number of years.

The company has declared a dividend of $1.50 a share on its class A, payable Dec. 24 to shareholders of record Dec. 18. After giving effect to this payment, arrears on this stock will remain unchanged at $9 a share.

Outlook Uncertain

Outlook for the coming year is not very clear. There is an increasing tendency to restrict use of structural steel to war requirements. It is expected, however, that there will be a fair amount of construction work and that some of this will require steel.

The company has been getting a relatively small amount of war business to date. It has hopes of receiving more in the coming year, however, probably as subcontractor under the "bits and pieces" programme and has been assured that work will be available to keep its plant going.

White Aircraft Meeting Adjourns

No Date Set For Resumption of Meeting—Court Case Continues

Meeting of shareholders of White Canadian Aircraft Ltd., held Dec. 13, 1941, has been adjourned indefinitely, according to F. E. Maxie, secretary-treasurer.

Prior to the Dec. 13 meeting, a motion for an injunction restraining Francis E. Neylan and Aircraft Finance Corp., was heard in the Ontario Supreme Court. The motion sought injunctions to:

Restrain the defendants from transferring or encumbering any shares of Aircraft Finance Corp. held in the name of Francis Neylan or so doing with shares of White Canadian Aircraft held by the defendants until trial; and,

Restrain the defendants from voting any White Aircraft shares held at a shareholders' meeting.

This motion was withdrawn on consent of both parties with Neylan and Aircraft Finance undertaking that the White Canadian Aircraft shareholders' meeting be adjourned until after trial of the case of G. W. McIntosh against Neylan and Aircraft Finance and that present directors be continued.

STANDARD CHEMICAL

Standard Chemical Co. is paying a dividend of 50 cents a share on its common stock on Jan. 31, 1942, to shareholders of record Dec. 31. The company paid 75 cents a share on July 30 this year and 50 cents a year ago.

5% Interest Return

Features of St. Maurice Power Corporation include:

(1) Shawinigan Water and Power Company owns all the Class "A" Stock of the Corporation.

(2) Shawinigan Water and Power Company operates under agreement the power plant of St. Maurice Power Corporation.

(3) Shawinigan Water and Power Company has agreed to purchase substantial amounts of power from the Corporation under contracts extending to 1971.

(4) Shawinigan Water and Power Company is under obligation to meet all interest and sinking fund charges to July 1st, 1946, on St. Maurice Power Corporation 5% Bonds.

St. Maurice Power Corporation 5% Second Mortgage Sinking Fund Bonds, due August 1st, 1956, provide an attractive return at 100 and interest yielding 5.00%.

Descriptive circular forwarded upon request.

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Wood, Gundy & Company
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Investment Notes

C. S. L. volume of freight traffic passing through the Canadian and United States locks on the Great Lakes-St. Lawrence route during the current year was far above average. This should be reflected in increased earnings by the company.

* * *

Great Lakes Paper—Indications are that the company may earn upwards of $2 a share after taxes and all charges, in 1941 on its classes A and B preference which would compare with $1.59 a share for 1940. Dividends paid this year came to $1.50 a share against $1.25 last year. Work on the new buildings to house the digester unit being installed is well under way and the plant additions should be ready next May or June. This will add about $1 million in potential sales volume to the company's output.

* * *

S. E. C. report of security transactions and holdings include the following of Canadian interest:

Distillers Corp.-Seagram—Allan Bronfman, officer and director, held one share of common directly, acquired through inheritance and through Brintcan Investments Ltd. held 702,831 and through Holding Company B held 151,000 shares. Samuel Bronfman, officer and director, acquired one common share through inheritance and is an indirect owner through the two holding companies mentioned above. H. F. Glass, officer, holds two common shares. F. R. Schwengel, director, decreased common shares holdings 100 shares by a gift, retaining 901. Allan Bronfman acquired 5 shares of preferred and through Brintcan Investments Ltd. held 29,650. Samuel Bronfman acquired five preferred shares and was an indirect owner through Brintcan Investments. H. F. Glass decreased holdings of preferred 15 shares, retaining five shares.

Hiram Walker-G. & W.—G. T. Chisholm, director, holds 600 common shares. L. M. McCarthy, director, acquired 100 commons, holding 500. G. T. Chisholm acquired 200 shares of preference, holding that many.

Railways Handle 21% More Traffic

From Our Own Correspondent

MONTREAL. — Volume of freight handled by the Canadian railways for the current year to December 6, as expressed in carloadings, shows an increase of nearly 21% over the same period last year.

Up to December 6 loadings of revenue freight this year totalled 1,468,608 cars, compared with 1,215,295 cars for the same period of 1940. With the exception of coal and "other forest" products, every division recorded heavier loadings.

FEDERAL GRAIN
LIMITED

is one of the largest factors in Canada's grain business; its chain of elevators has a capacity of 28,000,000 bushels.

In the year ended July 31st, 1941, earnings of $7.68 a share were shown on the preferred stock. A dividend of $2.00 was paid November 1st, leaving arrears of $67.87½ a share.

The record amount of grain now in storage indicates substantial earnings for the current year and further dividends appear likely.

Current Market 35-37. Analysis on request.

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Bond Markets

First Victory Loan Structure Retained

Revamped Publicity and Fewer Organizers in Snowbound Areas to be Main Change For February Loan — Tax Issue Revived

Organization for the Second Victory Loan is not expected to differ in any major respect from the First Victory Loan, The Financial Post understands. There will probably be some changes in the publicity organization, but with this exception, the only important alterations will arise from the climatic factor. A number of districts which warranted extensive organizations last June will hardly be as productive next February.

In the publicity section the principal changes will be the addition of more public relations men at headquarters, and an effort to quicken the flow of news—and the news—on the loan. Good liaison work between committee heads in individual districts and the provincial and Dominion headquarters is expected to overcome other deficiencies.

• • •

Time is Short

The time allowed for organizing the loan is substantially shorter than in the case of the first Victory Loan. Members of the Ottawa staff left for the capital Dec. 14, with about three weeks, interrupted by two holidays in which to prepare the structure for local committees, who will themselves have less time to get organized than they did last June.

On the other hand, the bones of last summer's loan are pretty well intact, organizers and canvassers will have the benefit of the earlier experience on a committee loan and it will be relatively easy to get many of them back into harness. By far the majority of the organizers are returning to territories where they operated last summer.

• • •

U. S. Bonds Slide

End of the first week of war with Japan has seen a general softening of bond prices, with some of the more speculative issues the worst to suffer. In the United States the jolt has been considerably more severe.

From a chart point of view, the Dow-Jones index of 40 bonds reached, on Dec. 5, the lowest ground since May 28, 1940—87.28 against 88.06. Since last January, the New York bond chart has been indicating a downward trend.

But the severity of the selling appears to have been greatest in New York, with the movement in Canada less marked and Britain still less so. In peacetime, this would be attributed to the normally more volatile nature of New York security movements, and this may well be still the governing factor.

On the other hand there is considerable significance in the fact that the greatest fluctuation was shown in the centre least (as yet) affected by wartime capital restriction, and was least in the most tightly closed market.

• • •

Closed Market Strongest

Strengthening this point of view is the fact that of the three financial centres, Britain has for some time past enjoyed the most active and optimistic stock trading.

Judging from the British experience, which should provide a valuable clue to future developments in both Canada and the United States, both the American nations are headed for more stable markets. Moreover, based again on British conditions, the low rates of interest on government bonds should ultimately bring capital appreciation in more speculative securities.

In Canada the rise in more speculative bonds has already been pronounced. In the past week bad Asiatic news was not sufficient to prevent Canadian Locomotive bonds from rising to par on the strength of new locomotive orders and a doubling of employment in the year.

So far, the Canadian trend has not followed the British example into the common stock field, uncertainty of taxation probably being the main deterrent. But the passage of time is showing which securities can withstand taxation best and presumably the tax uncertainties will become less and less an adverse factor.

• • •

Tax Quarrel Revived

Full effect of Ontario's apparent intention to hold out on the Dominion-Provincial tax proposals cannot be evaluated until more is heard from the other provinces and the Dominion. On the face of it, the refusal to allow the proposal to apply to 1941 income may foreshadow serious friction between the governing authorities, with adverse effects on holders of provincial bonds.

At the Dominion-Provincial conference last January, J. L. Ilsley waved the big stick of government restrictions over the heads of the rebellious provinces. The announcement that gasoline rationing will go into effect next April shows how adversely provincial fortunes may be affected in the coming year.

There is no doubt that further restrictions could throw every provincial government into default, if the Dominion wished to exercise its unlimited wartime powers. It is not likely that such drastic results will develop, but it is quite clear that the taxpayer and investor are going to pay if no modus vivendi can be reached between the Dominion and Provincial Governments.

HEADS RETAIL GROUP

P. K. Heywood, general manager of Evangeline Shops, Ltd., Toronto, has been elected chairman of the Canadian Retail Federation. C. W. Stollery, Toronto, is vice-chairman and G. S. Hougham, general secretary of the Retail Merchants Association of Canada, is secretary. The newly formed federation is to represent retailers, large and small, across Canada. It is stated to have approval of Donald Gordon, chairman of the Wartime Prices and Trade Board, and E. G. Burton, retail administrator. It will act as liaison between the government and retailers in working out problems arising out of the wartime price control.

Building Products Ltd. Declares Usual Bonus

From Our Own Correspondent

MONTREAL.—Directors of Building Products Ltd. have declared a regular quarterly dividend of 17½ cents a share, plus an extra of ten cents a share, both payable Jan. 2 to shareholders of record Dec. 19.

This brings payments in respect to 1941 to 80 cents a share, the same aggregate as was paid in 1940 and 1939.

Harty Joins Executive Of Canadian Car

From Our Own Correspondent

MONTREAL. — William Harty, chairman of Canadian Locomotive Co., Kingston, has been elected executive vice-president of Canadian Car and Foundry Co. He will take up his new duties on Jan. 5.

Mr. Harty will retain the chairmanship of Canadian Locomotive. In Oct., 1940, he was elected a director of Canadian Car.

It is Mr. Harty's intention to take up residence in Montreal.

Supertest Petroleum Declares Extra

Supertest Petroleum Corp. has declared an extra dividend of 25 cents a share along with the regular semi-annual of 50 cents on the common stock, both payable Jan. 2, 1942, to shareholders of record Dec. 12. A similar extra was paid a year ago. Holders of bearer share warrants will present coupon No. 44; ex-coupon date Dec. 31, 1941.

Bond Redemptions

Bond issues:	Rate	Year	Due	Price
Eastern Car	*6%	1952	Jan. 1	105
Mississippi R. Pr.	†5%	1951	Jan. 1	105
Can. Bakeries .	6½%	1945	Jan. 15	102½
Shaw. W. & Pr.	▲3½%	1946	Dec. 30	100½
Phillips Elec. Works	5%	1953	Dec. 23	104½

*$45,000. †$148,000.
▲Collateral trust notes.

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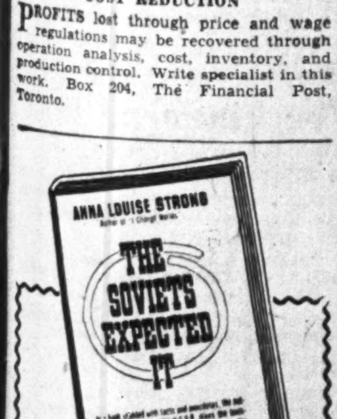

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Canadian Christmas is Still Surviving Despite Mounting War Restrictions

(Continued from page 1)

lations. Most of the items still coming in are definitely on the "educational" side.

Canadian toymakers have done their best to fill the gap left by the disappearance of clockwork toys and metal planes, cars and trucks and lead soldiers which formerly were almost all imported. But most of these items require specially built molds, costly to make, requiring skilled labor and a large market to be profitable. Except in a few cases it has not been possible to get these molds, and in other cases the toymaker has found a job in war production.

Result is that Canadian toys have put the accent on wood. Wooden toys have replaced many of the steel and tin toys on the dealers' shelves, but few merchants have been able to buy in the quantities they would like. The war does not favor rapid development of non-war industries.

Behind the increase in domestic production, the new sources of imports, the retailer has largely met the shortage problem out of accumulated inventories.

Since so many Christmas goods are only sold at the holiday season, spend the rest of the year in warehouses or back shelves, the carryover from one year to another is very large. Electric trains from the United States, banned for a year, and steel goods from Britain, more recently prohibited from the United Kingdom export list, are still available in fair quantity. Over two years of war have not removed all the French perfumes, the Czech glass or even German cameras. Retailing practices are as varied as the number of stores and the types of customers. Some have jettisoned all goods from Axis or Axis-controlled countries on patriotic grounds or because customers objected. Others have continued to sell these alien commodities in the knowledge that no possible benefit can be derived by the enemy and only loss for Canada by that attitude.

More important than the shift of supply in molding the pattern of Canada's third war Christmas is the ban on installment selling. Some of the big department stores expect the sharp drop in time buying to balance the gains in cash sales of smaller items. Compared with other departments, rug, furniture, radio and refrigerator sections are relatively deserted. It will mean fewer vacuum cleaners at the foot of the Christmas trees, but it will also mean less of a lag in the post-season trade.

Save from a few private, long-stocked cellars, there won't be any French wines, liqueurs or cognac, no wines from Germany or Italy, no liqueurs from Holland, Denmark or Poland. But there will be Canadian, Spanish and Portuguese wines, and liqueurs and whiskies from Canada and Britain.

Although a large number of Christmas delicacies have been on the forbidden list for some time, the stocks on hand and the new Empire sources of imports will keep the menu practically intact.

We now make our own maraschino cherries in British Columbia. We get some almonds from India instead of Spain, raisins from Australia. Sugared peels are prepared in Canada. Pecans, filberts and Brazil nuts have been prohibited from entering for some time, but there are still a few on hand. Although almonds are scarce, there is still plenty of almond paste for icing Christmas cakes.

Casualties Minor

What Christmas trade casualties there are, are on the whole minor, affecting only a small number of individuals.

Canada's own large production of consumers' goods, the gradual diversion to war industry, much of which had to be built up before we could divert productive effort to armaments, have granted the Canadian community a longer period of normal business than would have been possible in a country more specialized in metal working.

Will this be the last real Christmas of the war?

The answer lies in the military and naval operations in the Pacific, the rate of ship sinkings against ship construction, the labor and commodity balance sheet for 1942.

Some well-informed retailers don't expect another normal season until after the war.

Certainly the freezing of rubber goods, curbing of bicycle, toy and skate production in the closing month of 1941, augur ill for 1942's Yule. And the supply line for many Christmas edibles now has to stretch past the lairs of Japanese raiders. To overcome these barriers to trade, victory would have to come in the first six months of 1942 in order to permit adequate supplies to reach Canada by the end of the year.

Inventories of goods stored up in the first two years of war and earlier can't help us much after three years of war. And the clamps would have to be taken off domestic production by September if the stocks used up this Christmas are to be replaced by next Christmas.

Price and wage ceilings, as yet not seriously affecting the stocks of larger retailers, may cast a further shadow on the supply of consumers' goods next year. Still not much more than a fortnight old, the new controls are bringing added anxiety to large numbers of retailers.

Fortunately many of the seasonal articles do not require war materials. And Canada's own production of foodstuffs makes it a near certainty that we will have plenty to eat and drink.

Safeguarding Canada's Giant Export Trade

By STAFF WRITER

OTTAWA. — Safeguarding Canada's $100 million export business from the effects of war is to be one of the biggest, if not the biggest, tasks assigned to the newly formed Export Control Committee.

Fostering of foreign exchange through encouraging exports is of course, one of the committee's responsibilities, but is not regarded as its most important.

"We are not going to do a sales job," a member of the committee told The Financial Post. "By that I mean we are not going to try and create new markets. Our big job will be to hang on to the markets we now have."

Some Sharp Conflicts

The committee's function, for this reason, will be more administrative than anything else. It is recognized in Ottawa that there exists a tremendous amount of uncertainty among Canadian exporters as to what their exact position is in regard to individual exportable commodities. This confusion has been partly caused by the fact that the interests of Canada's various control set-ups sometimes conflict sharply.

For example, take the hypothetical case of chesterfields. Most of the material going into the manufacture of a chesterfield cannot conceivably be classified as vital to the war effort. However, a chesterfield needs springs, and springs are made of steel. The Ottawa official responsible for the conservation of steel might logically protest against the manufacture for export of goods requiring steel springs. On the other hand, officials responsible for creating foreign exchange via exports might just as logically argue that the amount of steel required by the chesterfield manufacturer is insignificant compared with the foreign exchange obtainable by the export of such goods.

In which point of view does the interest of Canada lie? The answer will have to be provided by the Export Control Committee, after due study. On this committee are representatives of the various interested departments, such as External Affairs, Foreign Exchange Control Board, Department of Trade and Commerce, and Munitions and Supply Department. The Wartime Prices and Trade Board has not as yet a representative on the committee, but is expected to appoint one in due course, as this board will eventually have a big interest in the export question as indicated below.

Can Go To Higher Court

The Export Control Committee, then, will attempt a decision on the individual export problems submitted to it. If it does not come to a unanimous decision in any individual case, and it is felt the question is of sufficient importance to warrant it, decision will be left to the Wartime Industries Control Board, of which R. C. Berkinshaw is chairman, and which will act as a sort of higher court. If, on the other hand the Export Control Committee is unanimous, the manufacturer or exporter will or will not get his export license accordingly.

With Canadian business under a plaster-hard retail price ceiling, and prices in other parts of the world under a less sweeping control, it is quite probable that eventually rising prices abroad will sorely tempt the Canadian manufacturer to export, taking advantage of rising prices. The committee has no intention of allowing the domestic market to be drained in such a manner, however.

For this reason, as prices tend to rise in other countries, particularly the United States, the Export Control Committee will have a new task added, namely the policing of exports to see that they are not lured abroad in this way. By the time this development occurs, it is expected that the Wartime Prices Board will have capable representation on the committee, as its interests will then be directly concerned.

Canadian industry is already supplying Britain and United States with certain war equipment, such as certain types of small arms, guns, explosives, vehicles, corvettes etc., and, as previously reported, other important war equipment will be added to the list. Such supplies, of course, will go through as a matter of routine.

The Export Control Committee is not yet prepared to outline any broad policies for the simple reason that these do not yet exist. Such definitions of policy, aimed at simplifying the lot of the Canadian exporter, are now under discussion, but it is expected that such policies will be notable for their flexibility and that, through sheer variety, many borderline cases will have to be adjudged on their own merits.

The personnel of the new committee comprises John Maurice Evans, whose services have been loaned to the government by the Shawinigan Water & Power Co., as chairman; T. A. Stone, from Department of External Affairs; L. Rasminsky, Foreign Exchange Control Board; Fred A. Sproule, Department of Munitions and Supply; G. D. Mallory, Department of Trade & Commerce, and a vacancy to be filled by the Wartime Prices & Trade Board.

Lake Sulphite Meeting Soon

From Our Own Correspondent

MONTREAL. — Provided court sanction is received, creditors of Lake Sulphite Pulp Co., will meet on or about Jan. 6 to consider the offer put forward to the receiver by Brompton Pulp and Paper Co. Notice calling the meeting, together with details of the offer and how the creditors, noteholders and stockholders will fare, may be put in the mail by the end of this week or the beginning of next week.

No further official particulars are available on the Brompton offer. It is understood to provide $500,000 cash and $500,000 in Brompton notes. This would be insufficient to cover all claims of creditors and noteholders.

ON PUBLIC RELATIONS

Walter S. Thompson, who has been appointed director of public relations for the Canadian National Railways. He will continue to have jurisdiction over the general publicity and advertising of all departments of the system.

New Metal Restrictions To Speed Substitutions

After March 31, 1942, manufacture of a wide range of metal products which enter into most homes and businesses will be halted by Federal order, and one month later the sale of such articles will be prohibited.

The move to conserve metals will mean for many companies a rearrangement of their production facilities, acceleration of the search for substitutes, for some a reduction in their output, for some the possibility of handling further war orders on a subcontract basis.

Specifically banned by this week's order of Supplies Controller Alan H. Williamson are metal toys, tricycles, joycycles, ice skates, roller skates, and children's wagons and carts made of metal. Among household metal goods to be eliminated are electric broilers, electric food mixers, sandwich toasters, roasters and grills, waffle irons, metal and wire wastepaper baskets, metal smoking stands, metal trunks, metal ash trays and vases, metal bedroom furniture other than beds, metal benches, card tables, coat racks, flower stands, chairs, kitchen cabinets, humidifiers, lamps and lamp standards. Signs of all kinds excepting those of less than one foot square also come under the provisions of the order along with many other articles.

Bicycles in War

While tricycles and joycycles are in practically the same category as toys, manufacturers of bicycles can point out that a drastic curtailment here might actually have an adverse influence on the war effort. With urban transportation facilities now being worked out at a high rate of capacity along with the fact that many new war plants are located in the suburbs, the bicycle has become a necessary means of transportation for crowds of war workers. Recognition of this fact is expected by the trade when definite regulations are established by Ottawa. Canada Cycle & Motor, a big bicycle maker, is also doing important war work at the present time.

In the manufacture of beds, attempts to get away from the use of metal have already been made. Wooden frames are being called back into use to replace the metal variety. Spring filled mattresses seem likely to give way to those filled with cotton or other materials. Mr. and Mrs. Canada will still be able to sleep in comfort but not in such elegance.

Delegation to Ottawa

A delegation of electrical appliance manufacturers will shortly go to Ottawa to discuss their position in the light of the new regulations. The feeling in this business is that while there will be definite restrictions they will be allowed to produce certain lines. One manufacturer points out that the order might mean a greater concentration in the making of various health-promotion products.

These companies also have war subcontracting possibilities which would also tend to take up the slack.

Subbing for Signs

Sign makers have found metal hard to get for some time and with the new ban will switch over in some cases to the use of masonite and plywood. However, this substitution for large signs is thought unlikely in view of the expense involved. Some manufacturers in this line are understood to be capable of directing their efforts toward war business if available.

The order even strikes at baby carriages and while some substitution is possible here, steel or metal of some kind is needed for axles, wheels, etc.

Restrictions on brass and bronze manufactures means the entire elimination of certain lines of some companies, particularly in the building trade. The nature of these industries, however, is generally such as to allow them to turn to more war business. Allied with these restrictions which hit the building industry is the difficulty in obtaining metals for plumbing and heating. Investors are particularly interested in this regard in Robert Mitchell Co. and J. S. Mitchell Co. Other lines of manufacture, however, tend to take up this slack.

Laundry Machinery

Makers of laundry machinery since last October have been operating under a quota restricting their production to a level 25% below that of last year. While the confusion existent in other industries over how far the order goes is also existent here, the outlook for a continuance of anything approaching normal production appears bleak. Orders have been heavy recently but delivery has been difficult due to the practical impossibility of getting the required motors. The amount of monel metal and steel used in laundry machines is also a vital point for further restrictions.

Only a partial substitution is possible in this type of manufacture. Some parts, of course, must be metal, while makers claim that one washing machine equals four wooden ones in capacity. Substitution on that basis would therefore be an expensive proposition. War manufacturing could be carried out but on a rather limited basis. The type of machinery used in these plants generally does not lend itself to the manufacture of war materials.

Still in Business

As it stands at the present time, with the limited knowledge that is available, it appears that the Canadian who uses metal in his products is going to have to operate on a restricted basis but he will be able to continue in business. His ingenuity will be taxed to find substitute materials for the metals with which he has long been accustomed. For the average Canadian citizen it will mean acceptance of still fewer of the "trimmings" which he has formerly taken for granted.

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Newsprint Firms Follow I. P. Lead

From Our Own Correspondent

MONTREAL.—Major Canadian newsprint companies have followed the lead of International Paper Co. in setting the price of newsprint in the United States for the second quarter of 1942 at $53 a ton New York delivered.

Abitibi Power & Paper, as well as Consolidated Paper Corp. have informed their United States customers of the new price schedule.

No change will be made in the price of newsprint for sale in Canada under the recent price ceiling order of the Dominion Government.

It is anticipated other companies will follow the lead of International, Abitibi and Consolidated Paper.

Can. Col. Airways Loses N. Y. Route

American Associate Firm Will Take Over Montreal Run From Dec. 23

From Our Own Correspondent

MONTREAL. — With Canadian Colonial Airways Ltd. license to operate from Montreal to New York schedule to expire on December 23 because the Civil Aeronautic Boards will not grant a license, Canadian Colonial Airways Inc., an American company, announces the two non-stop flights between New York and Montreal would be taken over from that date. The Board has refused to renew the Canadian company's license on the ground the route would be served adequately by the American line.

In commenting upon the change, an official of Canadian Colonial Airways Ltd. states the non-stop flights between the two cities would merely be taken over from the limited company (Canadian) by the incorporated company (American), to comply with the ruling of the C.A.B..

"Our service will remain the same, in so far as the public is concerned," he added. There will be no alteration in the schedule or service.

Obituaries

J. A. Wales, aged 46, at Montreal, president McColl-Frontenac Oil Co., and director Commercial Alcohols Ltd.

Charles T. Hickman, aged 66, at Ottawa, president Ottawa Paint Works.

H. T. Ballach, aged 56, at Toronto, president F. C. Thompson Co., shipping agents, Toronto.

John Pearson, aged 76 at Toronto, head of John Pearson & Son, insurance agents, Toronto.

William Campbell, at Montreal, director Montreal Lithographing Co.

Foreign Exchange

During the week Dec. 9 to Dec. 15 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1,10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 15

Australia ...	3.58	N. Zealand ...	3.61
India	.3353	S. Africa	4.47
Hong Kong	.2835		

Bond Tenders

6 p.m., Dec. 29, Village of Tadoussac, P.Q. —$50,000, 4%, dated Nov. 15, 1941, redeemable serially from 1942 to 1956. F. Lapointe, sec.-treas.

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The Editorial Page . .

Delays Would Be Dangerous

Let us hope that Canada's Wartime Prices and Trade Board does not add too much to the growing volume of unfinished business that originates in Ottawa. The danger arises in the chance that the Board might delay too long in ruling on the claims of individual businesses, perhaps due to pressure of work and detail but possibly also in the hope—already sometimes evident in government policies—that time will solve the problem in some hoped for but unspecified way.

It will be dangerous as well as discouraging if the price control rulings are handled with the delay that has characterized such matters as the Excess Profits Tax regulations regarding industries, or the Dominion-provincial negotiations on tax adjustments. In each of these instances business has been hampered unnecessarily.

Many people have come to regard the suggestion that a claim for relief may be filed as about the same thing as a statement that the claim will be shelved. The Wartime Prices and Trade Board has too important a job to do to permit its work to bog down in this way.

It reaches into all branches of trade and industry at a time when it is more important than ever before to keep essential industry and business—both civilian and defense—going at top speed. All Canadians will unite in an appeal for speed in implementing its policies and releasing its rulings.

A Menace No Matter What We Call It

Chairman Donald Gordon of the Wartime Prices and Trade Board stressed an important point when he told a radio audience the other day that one of the dangers of inflation is that it is so often disguised in fancy or complicated terms that it is hard for the average man or woman to understand it. Economists, professional and otherwise, are not always agreed on a correct interpretation. Books have been written on the subject, but those in plain language are few and far between.

But as Mr. Gordon points out, there are only two things that really matter; what inflation does, and how can we avoid it. Said Mr. Gordon:

> "This is what inflation does. It puts prices and costs into a spiral that climbs faster and faster. Wages and salaries never catch up. Fixed incomes are left far behind. The cost of living climbs higher and higher, beyond your income. The dollar in your pocket becomes worth less and less. Your savings shrink away.
>
> "Inflation begins as a nation's war effort. In times of peace, this tremendous production would mean prosperity because we would be producing goods for our own use and enjoyment. But the things we are producing today are mainly for war and we have less and less of the goods and commodities that we want for ordinary use.
>
> "What happens is simple enough. On the one hand, in the form of our government, we begin to bid up to buy the commodities we must have for war. On the other hand, as individual citizens, we bid against our government to buy things for our ordinary use. We thus get into a process of bidding against ourselves, and up go prices and costs to start the inflation spiral."

To avoid this menace there is only one course and this means genuine and painful sacrifice. We must face giving up some of the good things of life to which we have become accustomed.

In Canada, as in every other country, where there is just so much production available, so many acres for growing food, so many factories for making shells, so much labor. The output of these must be rigidly segregated into what is required for war purposes and what is necessary to maintain normal life. If the former requires more and more of our total production, then our normal life is going to suffer. We cannot have both guns and butter, and the guns must come first.

To attempt to carry on total war without regimentation is, as Mr. Gordon points out, simply encouraging competition between purchases for non-war purposes. Inevitably such competition results in falling prices, and maldistribution — in other words, inflation.

The Financial Post's Platform For War

1. *Strengthening cabinet leadership by drawing on Canada's best executive brainpower irrespective of political considerations.*
2. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
3. *Appointment of a non-political industrial executive with complete authority to organize and direct procurement of munitions and supply.*
4. *Pay-as-we-go policy to the very limit consistent with an all-out war effort.*
5. *Elimination of wasteful spending by public bodies or private individuals.*
6. *A national programme to deal with post-war employment and relief problems.*

Winning the war has become the focus for all effort, national or personal, in Canada. It requires full mobilization of the nation's material and spiritual resources.

To the fullest degree this should be achieved by individual effort, freely made.

Strong national leadership will inspire service and sacrifice. In turn this will reduce the need for regimentation and compulsion.

Should Inspire, Not Discourage

Canada's propaganda machine seems to have bogged down in a maze of despondency. We have far too many calls for sacrifice and far too few calls for patriotic inspiration.

The objective may be the same in each case but the method can be vastly different. Our leaders, political, industrial and financial are too inclined to paint a grim picture of what is ahead and what we must pay before victory is ours. We approach the whole problem from a negative angle. This talk of sacrifice without reward has no inspiration for the majority of Canadians and unless we have inspiration we endanger our hope of ultimate victory.

President Roosevelt has struck a different note in his appeals to the American people. He calls on their innate love of the United States, their appreciation of the privileges and liberties which they enjoy. He called on the American people to work and save and live to resume these rights and privileges after the war. He does not minimize the task ahead but he does not go out of his way to dishearten and discourage by unnecessary dwelling on foreboding and sacrifice. He holds out something which can give inspiration and leadership but builds no unnecessary barriers to enthusiastic cooperation, voluntary and willing.

Canada is approaching an all-important publicity drive to assure success of our Second Victory Loan. We can succeed in getting the money needed; it is available in Canada and Canadians will not need too much persuasion to lend it to our government.

But it will be far easier to succeed if constructive, positive appeal is adopted and leadership rather than discouragement is given.

Gladly Sacrifice if Necessary

There is little doubt that the third year of this war will run closely parallel to the third year of the first Great War as far as the civilian is concerned. It will certainly see more in the way of restriction, rationing and regimentation than we have had yet.

We don't expect to hear many complaints about the new burdens that are being strapped on Canadian shoulders. We didn't hear many kicks about the gasoline restrictions last summer, and for the most part Canadian motorists appeared to do a wholehearted job of cutting down speed when the clamps were applied.

But they aren't driving slowly any more, and the obvious answer is they don't believe there is a genuine shortage of gasoline.

If that distrust had appeared last summer, there would not have been much evidence of speed reduction. Canadians don't mind restrictions, but they hate to be fooled into cutting down unnecessarily. Restrictions without the backing of a convinced public will be an open door to bootlegging.

Announcement that gasoline rationing will start April 1, has some earmarks of being a shade too early to carry the needed degree of conviction of the need for rationing. More British tankers have recently been shifted back to American trade, the new Montreal pipeline is working, the new Southeastern pipeline in the United States is being dedicated this week, the production of new tankers should be having effect about the time Canadian rationing is scheduled to start.

It may be that gasoline rationing is the easiest way to conserve rubber. It may be that tankers will have to be diverted to Pacific service. It may be that the early announcement is designed to prevent drivers from planning their vacations (if any) in too distant places. There may be a dozen good reasons for making the gas announcement now.

If there are, the best way to make sure that gasoline rationing is a real success is to lay the facts squarely before the Canadian motorist. The bootlegger gave us a black eye in the prohibition era. He could do a lot more damage to us in wartime.

Editorials in Brief

Japan, Italy and Hungary have declared war against the United States. Let's see now. Has any other Axis puppet been overlooked?

* * *

Admittedly war brings dramatic changes, but the complete conversion of American isolationists in the last 10 days has been so sudden that it is natural to suspect that the cure may not be permanent.

* * *

Not only the American isolationists who to a man changed their war sentiments, but also those strategists who told us that Japan had fatally expanded herself and would fold immediately, will have a busy time arranging alibis.

* * *

Canadian farmers reduced their wheat acreage over 20% this year but over half of the diversion went into barley, oats and hay, raw materials for hog and dairy products, urgently needed by Great Britain. Thus is agriculture in western Canada adjusting itself to the nation's war effort.

* * *

Preliminary figures of the new census reveal that most of Canada's growth in the last 10 years has been in the smaller cities and the suburban areas of the larger ones. Slowly but surely decentralization is correcting the urban congestion trend of the first quarter of the century.

* * *

We overestimated the restrictions on railway passes during the holiday season. Members of the House of Commons and the Senate will still have their time-honored privilege of free travel, but due to the mass movement of troops on special leave, passes held by any other group, railwaymen included, will not be honored. The ban applies from Dec. 21 to Jan. 6.

* * *

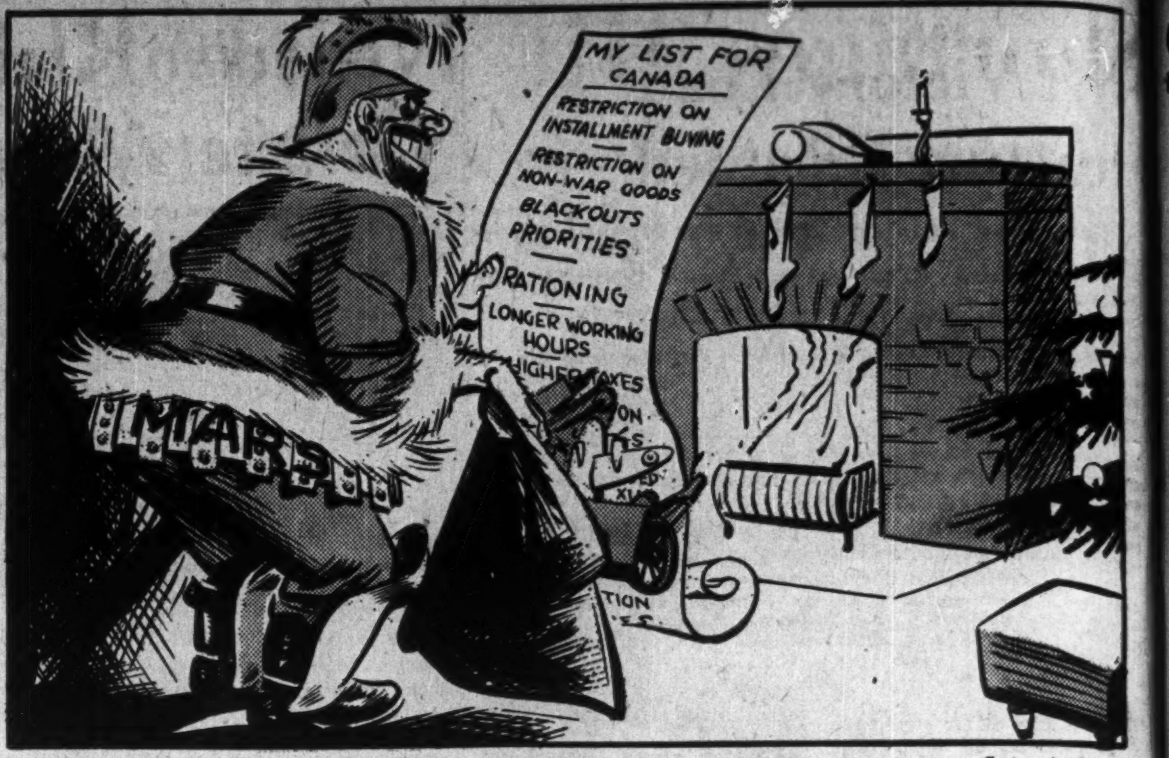
In its treacherous attack on Pearl Harbor, in advance of a war declaration, Japan was repeating almost identically its tactics of the Russo-Japanese War of 1905. Then the unprepared Far Eastern fleet of the Russians was wiped out at the entrance to Port Arthur before war was declared. Naval and military strategists would be well advised to keep posted on history.

* * *

The Chicago Tribune, arch foe of President Roosevelt's foreign policy until the entry of United States into the war, is to be commended for its forthright change of policy and its demand for an all out war effort. Far from commendable, however, is the following sentence from its front page editorial of Wednesday last:

> "Our men must learn to stand up to the Japanese and perhaps the Germans as the British forces have signally failed to do."

Not only is such a statement utterly unfounded but the spreading of this sort of misinformation is certainly not helpful in building up the essential common Allied front.



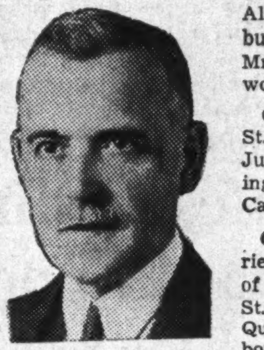
—Cartoon by Grassick.

THIS SANTA INSISTS ON PRACTICAL GIFTS.

Post-Scripts . . . . .

Logical Choice

Louis St. Laurent's appointment as Minister of Justice to succeed the late Hon. Ernest Lapointe came as a surprise, but after thinking it over Quebec decided it was not surprising, for he was the most logical man to succeed to that important Cabinet post. Mr. St. Laurent is not a politician. Nor is he actively identified with the Liberal Party. Rather is he noted as one of the foremost lawyers in Quebec. He is equally at home with either the English or French language, an excellent speaker, highly regarded by both his French and English-speaking compatriots and, in every sense, "le grand seigneur."



LOUIS ST. LAURENT
Photo: Blank-Stoller.

The new Minister of Juistice will be 60 years of age next year. He was born in Compton, Que., and educated at St. Charles College in Sherbrooke and Laval University. He received his B.A. degree at the age of 20 and three years later was called to the Quebec Bar. His reputation as a lawyer is outstanding. His fellow-lawyers have conferred upon him nearly every honor which any lawyer can aspire to. He was Batonnier-General of Quebec in 1929 and president of the Canadian Bar Association for two years. In recent years he has headed the legal firm of St. Laurent, Gagne, Devlin and Taschereau.

The new Minister has pleaded before every court in the Dominion and scores of times before the Privy Council in London. The last time he was in London was in 1939 shortly before the outbreak of war. He has represented both the Dominion and Quebec governments in numerous thorny constitutional cases and was counsel to the Rowell-Sirois Commission with whose members he travelled from one end of the country to the other.

His ability has been recognized by many corporations, which have not only retained him as counsel but have elected him to their board of directors. Mr. Laurent is a director of the Bank of Montreal, Metropolitan Life Assurance Co. of New York, Gatineau Power Co., Wilsil Ltd., president of Les Prevoyants du Canada, Blake-Chibougamau Mining Corp. and associated with other firms. All these posts, together with his legal business, will have to be given up by Mr. St. Laurent in taking over his new work.

One of the principal reasons for Mr. St. Laurent's selection as Minister of Justice is, aside from being an outstanding French-Canadian, the fact he is a Canadian first and foremost.

Of his three daughters, two are married and the third is a junior commander of the W.A.A.C.. One son, Lieut Renault St. Laurent, is for the time being at the Quebec naval station while the other boy, Jean Paul, a captain in the reserve unit, is a lawyer practicing at Quebec.

With the news of his appointment, the Quebec papers were extremely laudatory in their remarks about the new Minister of Justice. As one paper puts it: "Legal luminary, broad-minded, cultured, good-churchman, better-than-average angler, easy of approach—thus the Hon. Louis Stephen St. Laurent, K.C., LL.D., Dominion Minister of Justice."

* * *

New Army Chiefs

Military staff changes in high places inevitably stir conjecture in the civilian mind, and changes recently announced in Canada's "high command" have proved no exception.

Circumstances surrounding the appointment of Major General H. D. G. Crerar to command the second division, and of Lieut.-General Kenneth Stuart to succeed him as Chief of General Staff, involving as it did, reversion of rank for General Crerar, provided fertile ground for civilian rumors.

GENERAL CRERAR

Actually, the story is a very simple one, although some significance may be attached to it, as indicated below.

General Crerar has always been, and probably always will be, primarily a soldier, in the militant sense of the word. By this is meant that he is more of a soldier than he is a desk executive. It just happened that, due to shift of General Victor Odlum to the Canadian High Commissioner's post in Australia, a soldier was needed to command the second division. Lieut.-General Crerar was the best available, and his removal would not leave a gap, inasmuch as his deputy happened to be qualified to fill his shoes. Since the announcement of this change came two days after the announcement of General Crerar's promotion to a Lieutenant General, it might be said that something of a record was created by his two-day title. In practice, however, Crerar did not revert to a Major General until he assumed his new command the other day.

The significance which may be attached to this shift lies in the reports emanating from both Ottawa and London to the effect that Canada's 1942 military plans include creation of a Second Army Corps. Major General (elect) Crerar would make a logical commander if and when such a corps is created.

Born in Hamilton 52 years ago, Crerar was educated at Upper Canada College and Royal Military College. On graduation he wanted to join the cavalry, but this was an expensive arm in those days and, taking pity on his father's pocketbook, he took a job with the Ontario Hydro-Electric Power Commission in Toronto instead, contenting himself with a commission as lieutenant in the non-permanent militia. His service in the last war is well known. So is the fact that immediately after outbreak of this war he was dispatched to England to prepare for the arrival of the first Canadian contingent.

Both Generals Crerar and Stuart are known in army circles as "McNaughton men," and the careers of the two are very parallel. Born at Three Rivers, Que., Stuart also graduated from R. M. C., won his fighting laurels in the last war, and since July, 1940, has been deputy chief of the General Staff. He says he is more proud of his work with words than of anything else, and the files of the Canadian Defense Quarterly, of which he was editor from 1929 to 1939, give him justification for this statement. Columns of the Quarterly during this ten-year period were full of forecasts as to the mechanical and lightning swiftness of future wars, and General Stuart has earned a place with that small group of militarists who saw, and warned, against modern German fighting methods.

GENERAL STUART

In the last war, Colonel Stuart, as he was then, introduced some of the lightning engineering aspects of this war. A. Hangard Woods, in 1918, his outfit was advancing under particularly heavy shell fire. It fell to his lot to bridge a river. The fact that field guns were crossing the bridge constructed under his supervision within five hours of "Zero hour" was officially credited with playing a large part in the success of the operation. It was for this sort of thing he was awarded the Distinguished Service Order and Military Cross.

Stuart is a lean, rather tall, rather spare man, with a neat greying mustache and occasional preference for light horn-rimmed glasses. His grandfather and great-grandfather were military men. And his son, V. C. Stuart, who graduated from R. M. C. last December, recently was given his wings as pilot officer.

"There is only one way in which we can win—mobilize the conscience of the world, fortify our own spirits, meet blood and iron with blood and iron, carry the weight of material to help the best men in the world; gather our power in all its strength and strike."—*Leonard W. Brockington.*

* * *

"The principal purpose is that every single community in this great galaxy of peoples (the British Empire), of many nations and creeds, shall maintain its own character and identity and its own natural capacities, and move forward steadily to greater self-expression and greater self-government."—*Hon. Malcolm MacDonald, British High Commissioner to Canada.*

Other People's Views . . . .

The Canadian Editorial of the Week

Demand Decisive Action

Montreal Gazette

Three days at war, and the United States Congress passes without a dissenting vote—399 to nothing—an amendment making the American conscript army available for service anywhere on earth.

Two years at war, and the Canadian Parliament has not entertained, has scarcely even debated the proposal that Canada's conscript army be sent even outside our borders, let alone outside the hemisphere. And this despite the fact that Canada is the oldest, largest, strongest member of that Commonwealth of Nations whose fount and founder has been liberty's embattled bastion for 19 months. Shall this contrast stand?

This is no moment to cry, "I told you so," but still less is it a moment to fear such a cry. It is a moment to grasp this nettle, danger, and pluck this flower, safety. It is a moment to call together the people's elected representatives, state to them the reasons why a major change of policy is imperative, and obtain from them the needed powers for decisive action.

Canada is not the only nation wherein unity has been a factor to consider—six days ago the United States was still widely split not merely on man power policy but on the basic question of war itself. Overnight that split was healed; the country turned a solid front to face a peril now manifest to all.

If Prime Minister Mackenzie King will but ask it, he will find an equally united Canada ready to do all, spend all and dare all for victory and peace. The enemy is at our gates.

* * *

As Others See Us

Government Has Mandate

Moncton Times

Prime Minister King must be surprised at the reaction to his statement that he would insist on an appeal to the people of Canada before considering the issue of compulsory selective service for overseas. Newspaper opinion—Liberal, Conservative and Independent, is practically unanimous in maintaining that an appeal on this question either in the form of a referendum is neither desirable nor necessary.

The Financial Post sums up the prevailing viewpoint when it says the government went to the country a year ago last March and received an overwhelming mandate to prosecute the war to the utmost. Mr. King told the electorate then that the real test was coming and he wanted a wartime mandate to go full steam ahead.

He got it.

In plainest language, the people of Canada told Mr. King to adopt, without further consultation, any steps considered necessary for the winning of the war.

* * *

Industrial Morale

Owen Sound Sun-Times

Writing in a recent edition of The Financial Post and dealing with the question in the minds of most people in Canada just now, wages, profits, taxes, etc., Wilfrid Sanders presents some very interesting deductions which are well worth serious study.

"Enlisting Workers for Victory" is the timely subject of Mr. Sanders's article, and it presumes to be nothing more than an introduction to one of the biggest problems of modern war—morale on the industrial front.

* * *

What the Papers Are Saying

Farm Labor Shortage

Newmarket Era

There is no control on the cost of farm labor. It is hardly possible to buy farm labor.

Well, Ottawa will find that there is an answer to its shortsighted policy. Farmers are finding that it doesn't pay them to operate their farms on a 100 percent basis. Many younger farmers have quit entirely to take jobs in industry. Not a few farmers have seeded down land which would ordinarily be producing grain or root crops. We see quite a bit of this in York county (Ontario) but not as much as is reported in some other counties. The answer will be reduced production, and, willynilly, higher prices.

Farmer's Advocate

Unquestionably there is a severe shortage of farm help, and the situation will not of itself improve any next year. It is known definitely that men are badly needed for all the armed services, and the new war plants now coming into production will take men and women in constantly increasing numbers. Under these circumstances farm operators can look forward to 1942 only with foreboding and, in some cases, with dismay.

It should be possible to form mobile units of farm labor to be moved from one locality to another or from one county to another as the season progresses. Such units would be especially effective during threshing and silo filling, for it would make it possible for the farmer to get these special jobs done without being obliged to spend two weeks away from home paying back his neighbors for the help they had given him.

There are a few short months in which to organize and put various plans into action, and no more time should be lost in talking about a problem that is manifest to all.

Canadian Statesman

The real proof that agriculture in Ontario is considered as no industry at all, lies in the fact that the government has permitted removal of 90% of experienced farm labor from most productive areas. Production is falling off for lack of help. There are "Idle Acres" everywhere.

Today only about 10% remain on the farms. The army, air force and factories have claimed them with direct encouragement of the Dominion government. More than that, of those left, the 21 age group to a man have been called up, first for 30 days which they performed, now for the duration. In this respect alone is agriculture regarded by Ottawa as a war industry. That is the farms produce strong youths who are being conscripted, with absolutely no exemptions, for war purposes within Canada.

The Mail-box

The Meighen Draft

Editor, The Financial Post:

Your issue of December 6 prints a letter from Dr. Herbert Bruce, in which the eminent doctor takes exception to the phrasing of an editorial in your issue of November 22, and dislike the sentence: "Reputedly the Meighen 'draft' was engineered and executed by a well-known group who in the past have been notoriously more selfish than statesmenlike." The doctor denies, in his letter that the "draft" was engineered or executed by a group, and says "there was not the least organization of any kind behind the movement."

As a delegate from the West, and also a member of the "Committee of Fifty," which split 37 to 13, I too am in a position to know "everything that went on (openly)" at that memorable "Executive Meeting" in Ottawa.

It was the most brazenly organized effort to put the delegates to the Executive Committee in a false and embarrassing position I have ever seen. On my arrival in Toronto a week before the convention was held, the politicians were all agog over the movement. Engineered? Of course it was! If Dr. Bruce did not know the movement was on foot, then he was not only blind but deaf to the machination of a Toronto clique. He further states that the movement was spontaneous. How ridiculous! It was cut and dried before the meeting was held in Ottawa.

Western delegates to the Executive Meeting voted against the hole-in-the-corner organized movement. There was nothing personal in this opposition. The disgust and contempt was for the manner in which the movement was organized, which turned an executive meeting into a convention. The opposition was on the method, not against Mr. Meighen as was repeatedly stated not only at the Friday meetings of the "Committee of Fifty," but also on the floor of the general meeting.

Canadians are urged these days to "face the facts," and this is a fact that Dr. Bruce cannot deny unless he was completely ignorant of the movement—and you know the doctor better than we in the West know him. The battle cry of the convention was "Meighen or chaos," and it looks to a western delegate to be chaos.

R. C. SMITH.

Calgary.

* * *

Sayings of the Week

"If it isn't the sheriff, it's the finance company. I've got more attachments on me than a vacuum cleaner." — *John Barrymore.*

* * *

"I am old, deaf and dotty. Go ahead with your plans, but leave me alone."—*George Bernard Shaw, to officers of the newly-formed Shaw Society.*

* * *

"It's a paradise for the tactician (desert war) but hell for the quartermaster."—*General von Ravenstein, German panzer divisional chief, to his British captors in Libya.*

* * *

"Japan is no threat. She is a nuisance and a pest. As a brat in the backyard, we must pin her ears down, so we can dispose of the Nazi thug in our front yard."—*James R. Young, for 14 years a news correspondent in Japan.*

* * *

"There are two sides to every question. Yes and there are two sides to a sheet of flypaper, but it makes a whale of a difference to the fly which side he chooses to light on." — *Representative William Cartwright of Oklahoma, discussing neutrality.*

* * *

"Through wars, through economic upheavals, through years of good crops and bad, the Canadian chartered banks have withstood the severest tests and have never failed to perform well the duties incumbent upon them."—*C. H. Carlisle, President, The Dominion Bank.*

* * *

"Not until we have 360,000 women in uniform (the population equivalent to the million women in uniform in Britain), can there be any suggestion that we have imposed any demands on man power."—*Col. George A. Drew, Ontario Conservative Leader.*

Stop Me If . . . .

Mary's parents believed firmly that even the smallest child must be allowed to full freedom. One morning at breakfast the small tyrant pushed her cereal away, pettishly announcing that she did not want it and would not eat any of the breakfast.

"Well, dear, what would you like?"

A whimper: "I want a worm."

Daddy, who would not deprive her of her slightest wish, hurried to the garden and returned with a nice fat one which he laid on spoiled daughter's plate. "There you are, my dear."

Indignant sobs. "But I want it cooked!"

It was sent into the kitchen, rolled in batter, cooked and brought back.

Sobs again: "I want Daddy to have half!"

Daddy divided the worm, pulled himself together and managed to get his portion down.

This time sobs and howls: "But that was the part I wanted!"

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Shortages Hit Home Building

Increasing War Restrictions Now Added to Short Supply

By STAFF WRITER

"It is not our desire . . . to curtail unduly or unreasonably . . . the construction industry, nor to contribute unnecessarily to the unemployment problem in any particular district. For this reason, while endeavouring to follow a consistent policy, full consideration is given to local and area conditions.

"I want you to appreciate fully, however, that it is becoming increasingly difficult to maintain any flow of civilian construction, particularly when it involves the use of materials critically needed in direct war work."

This was the warning given the Canadian building trade by C. Blake Jackson, Controller of Construction.

Well known by all rent-payers and home-seekers is the fact that the surge of war-stimulated income has created a seller's market in the residential field. Files of Canadian realtors are crammed with inquiries for new homes. Contracts for residential buildings this year will approximate $90 millions, the highest mark since 1930 and up about $23 millions over 1940.

Adding impetus to the drive for new homes has been the fact that residential construction in Canada for years has been at low ebb. During the years 1928-38 there was an average of 15,600 contracts let for residences in Canada. With our 2,400,000 families that means 6.5 new dwelling units for each 1,000 families. Stacked up against other countries that record makes a poor showing. For 1928-38 here is the number of average dwelling units built per year per 1,000 families for eleven nations as estimated by Dr. E. G. Faludi, eminent European housing authority:

Sweden	35.3
Denmark	35.0
Netherlands	25.6
Czecho-Slovakia	25.4
England	25.0
Switzerland	22.1
Norway	21.3
Soviet	19.6
Germany	14.0
U. S.	9.4
Canada	6.5

Heavy Backlog

Very apparently there accumulated during these years a heavy deficit of modern buildings. There was, and still is, a tremendous potential demand to be met.

No doubt exists that Canadians want more homes and today's freer-flowing money has unleashed part of that desire. In areas where war industries have particularly stimulated demand, the Federal Government has been striving to meet an often acute situation by erecting workers' homes under the National Housing Act. This wartime demand, then, is just the crest of a deep rolling tide of need that has grown over the past decade.

A. E. LePage, Toronto real estate man—and his remarks on the Toronto situation apply largely to other centres—told The Financial Post:

"Most of the 'distress' properties owned by the Mortgage and Loan companies have been disposed of, or are now rented to advantage.

"There is hardly a vacant apartment, and a very few houses for rent in the City of Toronto, particularly in the brackets under $100 per month.

"It is almost impossible to build apartments or houses of any description except the extremely low price type, and it is doubtful if many more of them can be built owing to shortage of labor and material.

"Thousands of wage earners are making more money than they have for many years, and after getting their bills paid, one of the first things they seem to want to do is to improve their housing conditions."

Materials Lacking

This tight situation in normal times obviously would make for a rapid swelling in the level of residential construction. Outlook now, however, is for just the opposite.

It all boils down to "the spirit is willing, but the material is lacking."

With the bottom of the barrel being scraped in the search for greater quantities of materials vital to the war effort, there is just not going to be such materials available for non-essential construction.

What may be the first indication of a slash in residential construction came in November when contracts for residential construction let in Canada amounted to $5.9 millions compared with $7.6 millions a year ago and only a shade over the November figures in 1938 and 1939. Highest month this year for residential building was May at $12.9 millions against $8.5 millions in May, 1940 and $7.3 millions in May, 1939.

For some time construction of larger-type homes has been risky in view of difficulties in securing materials. But now the pinch is being felt in the medium and lower-priced classes—the income strata where war-expanded industry has created the biggest bulge.

War Comes First

Several of the important materials which go to make up a house, are under the jurisdiction of Controllers, all pledged to see that the war effort will get first call on the products under their wing. In most cases, that first call is not the building of homes.

Chief use of steel in home-building is for support over doors and windows and its disappearance from the home building scene will mean elimination of the popular corner-window style.

In lumber the situation is not yet quite so tight but a good deal of uncertainty prevails. In this particular field some measure of substitution is possible and the cutting off of some types of wood has meant exercising considerable ingenuity by some builders. Imports of oak flooring were prohibited some time ago and to remedy that at least one builder has been using Canadian birch treated to look like oak. Laminated plywood from B. C. has also come in for greater use due to the lack of imported veneers and special woods.

Metals Scarce

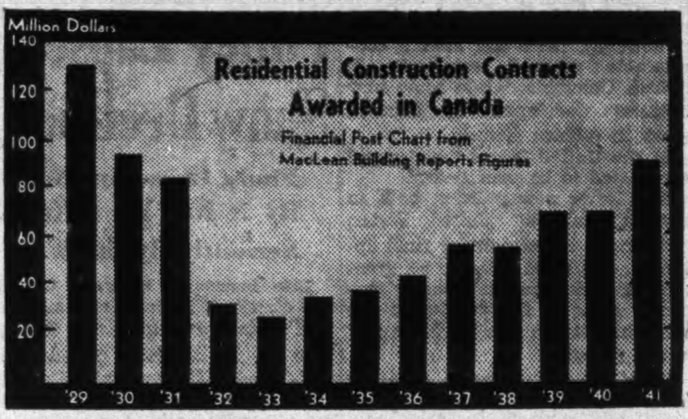
One of the biggest shortages, so far as the home builder is concerned, is in the metals field. Wartime priorities here have brought grey hairs to the makers of plumbing and heating products, metal windows, galvanized sheets, etc. A builder can't put up a house if he isn't sure of being able to install a furnace, a hot water tank, modern plumbing facilities, a gleaming kitchen. All of these consume metals vital to the war effort.

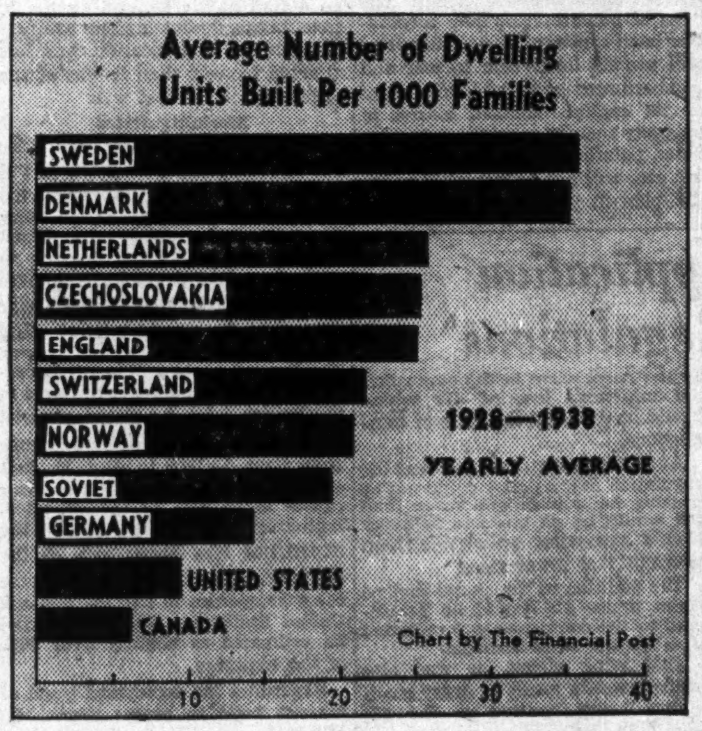
Indicative of the cutting down being done in the non-essential uses of metals is this partial list issued a few days ago by the Metals Controller ordering the entire elimination or severe limitation on the manufacture of such products as wrought and cast brass and bronze bolts, bar sash lifts, butts and hinges, door pulls, transom chains, sash lifts, sash pulleys, letter box chutes and borders, drawer pulls, door closers, checks and brackets, lavatory standards, door knockers, door bells, handrail brackets, cupboard catches and turns, towel hooks, etc. Absolutely prohibited is the use of aluminum, nickelene, die castings and stainless steel as used in all builders' hardware lines.

Labor Problem

Accompanying the shortage in these and many other materials is the same problem that is plaguing many other industries today, shortage of labor. Even if the building products were available, manpower is not available for an upswing in construction. That the shortage has not been more acute is due to the fact that many house builders have been in the same business for years; that they have no other experience and are too old to be drained off to the armed forces. The lack of apprentices in the building trade may present another problem over the next few years.

With these conditions prevailing the immediate outlook, then, is for a definite reduction in the level of residential construction in Canada. The needs of districts with populations swollen by these abnormal times will have to be met but, in total, the building of new homes is given a chair fairly far back in the symphony of the war effort. For those looking for new homes that means they will find themselves up against a real seller's market.





The Week in Business

Current business as measured by the D.B.S. index of business activity showed a decline of 0.2% to 115.7 in week ended Dec. 6, and a gain of 8% over the same week of 1940. Reasons for the decline included a drop in bank clearings to 104.3 from 106.1, while wholesale prices, capitalized bond yields and common stock prices all moved off moderately. After seasonal adjustment, railway traffic recorded a minor increase.

Flour exports in year to date are up 58.6% over first eleven months of 1940; wheat exports are up 40%.

Newsprint production in November was up 6.4% on a year ago. In first eleven months output was down 1.3%.

Railway carloadings in year to date show a gain of 13.8% over same period previous year.

Railway gross traffic earnings for year to date: C.N.R. up 23.4%; C.P.R. up 29.5%.

Crude oil imports in October were down 13.5% from a year ago; for year to date gain is 9.6%.

Trend of business shown by The Financial Post Business Index and key factors follow. New items marked thus ■.

WEEKLY INDICES

TREND OF BUSINESS—	Dec. 6	Nov. 29	Nov. 22	Nov. 1	Dec. 7/40
Weekly index of business, D.B.S.	115.7	116.0	113.7	114.2	107.2
Commodity prices, index no.	93.6	93.9	93.9	94.0	84.1
MONTHLY INDICES	Nov.	Oct.	Sept.	Aug.	Year Ago
The Financial Post business index	....	*168.0	167.4	162.5	151.7
National Income, D.B.S.•	....	b440.9	446.4	442.9	426.7
Retail sales index no.	....	138.0	136.4	146.5	120.1
Dept. store sales index no.	....	136.4	136.6	145.1	120.9
Wholesale sales index no.	....	170.6	170.8	156.6	143.4
Country store (% change pr. yr.)	....	+8.1	+11.9	+11.3	+3.6
Divd. payment index♠	119.0	118.2	118.4	118.6	122.2
COST OF LIVING—					
D.B.S. index	116.3	115.5	114.7	113.7	107.8
EMPLOYMENT INDEX Nos. D.B.S.					
■All industries	....	165.8	162.7	160.6	136.2
■Manufacturing	....	185.0	181.5	176.9	143.8
■Payroll index (a) (1937=100)	....	189	174	173	142
			Jan. 1 to date		%
RAILWAYS—	1941	1940	1941	1940	Change
■Carloadings (week Dec. 6)	66,666	60,705	3,023,787	2,656,430	+13.8
■C.N.R. gross (week Dec. 7) $	6,115,424	5,086,829	282,480,931	228,877,167	+23.4
■C.P.R. gross (week Dec. 7) $	4,663,000	3,658,000	204,905,000	158,287,000	+29.5
C.N.R. net revenue (Oct.) $	6,038,729	5,241,322	54,628,055	33,209,638	+64.4
C.P.R. net revenue (Oct.) $	5,937,888	5,470,639	35,665,559	25,760,614	+38.5
IRON AND STEEL—(October)—					
Pig iron production (tons)	137,114	109,385	1,082,222	948,841	+14.0
Steel ingots and castings prod. (tons)	225,853	185,081	1,971,909	1,649,639	+19.5
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales* (Oct.)	3,879	4,827	76,390	85,398	—10.5
Factory output (Oct.)	5,635	7,056	80,391	87,552	—8.2
Trucks and Buses:					
Domestic sales (Oct.)	1,848	1,665	30,436	25,093	+21.3
Factory output (Oct.)	13,725	14,095	148,182	88,481	+67.5
Financing:					
Used (Oct.) $	3,192,669	3,312,672	45,413,191	36,178,186	+25.5
New (Oct.) $	1,598,040	2,156,746	32,312,230	28,059,646	+15.2
CONSTRUCTION—					
Contracts awarded (Nov.) $	22,889,500	54,981,900	374,881,400	329,091,500	+13.9
Cement prod. bbls. (Sept.)	1,008,741	908,630	6,281,340	5,528,618	+13.6
AGRICULTURE—					
Flour prod. bbls. (Oct.)	1,595,931	1,872,514	17,229,805	13,590,356	+26.8
■Flour exp., bbls. (Nov.)	586,513	682,718	10,508,955	6,625,291	+58.6
■Wheat exp., bush. (Nov.)	22,105,053	17,277,560	178,375,298	127,407,260	+40.0
Cattle sales▲ (Nov.)	131,067	123,596	1,123,504	1,062,519	+5.7
Hog sales▲ (Nov.)	704,140	654,218	5,627,343	4,766,632	+18.0
SEA FISHERIES—‡					
■Catch cwts.▲ (Oct.)	1,056,300	1,053,300	9,486,500	9,580,700	—0.9
■Landed value (Oct.) $	2,377,600	1,669,600	23,050,830	16,236,300	+42.0
NEWSPRINT—					
■Production tons (Nov.)	300,308	282,344	3,125,042	3,165,906	—1.3
Exports (Oct.) $	15,380,000	13,129,000	128,589,000	123,139,000	+4.4
MINING AND OILS—					
Coal prod., tons (Oct.)	1,867,666	1,724,009	14,535,316	14,017,445	+3.7
Coal import, tons (Oct.)	2,896,383	1,594,611	17,179,698	15,243,177	+12.7
■Gold rec., fine oz. (Oct.)	443,896	430,842	4,264,499	4,093,833	+4.2
■Crude oil, imp. gals.† (Oct.)	154,688	178,569	1,358,652	1,239,104	+9.6
ELECTRIC POWER OUTPUT—(October)					
Total monthly 1,000 kw.h.'s	3,140,317	2,487,455	27,040,578	24,971,047	+8.2
FOREIGN TRADE—♦					
Imports (Oct.)	$140,619,038	108,644,852	1,188,715,434	877,364,556	+35.4
Exports (Oct.)	$139,677,763	106,790,810	1,324,284,800	976,102,781	+35.6
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. (Oct.)	233,280	241,494	1,960,095	2,029,857	—3.4
■Shoes, prod., pr. (Oct.)	3,141,512	2,531,659	26,975,064	21,985,976	+22.7
Cotton consump., lb. (Oct.)	18,341,242	16,662,648	165,591,120	158,881,558	+4.2
■Raw rubber imp. lb. (Oct.)	9,923,038	18,056,804	137,178,658	86,140,318	+59.3
Cigarette cons., No.† (Oct.)	844,292	747,064	7,107,785	6,312,136	+12.6
Sugar manufactured .. lb.§	162,213,036	174,045,529	941,580,290	886,565,423	+6.2
FINANCE—					
Bank debits† (Oct.) $	3,627,177	3,526,625	32,129,505	28,179,805	+14.0
Bond sales† (Oct.) $	341,700	112,136	2,169,983	1,855,122	+16.4
Life insurance sales (Oct.) $	41,740,000	31,210,000	336,759,000	298,591,000	+12.8

*D.B.S. All Canada figure covering 90% of the Canadian Total.
‡Unrevised figures covering N.S., P.E.I. N.B., Que., B.C.
▲Total at yards and plants. New items for week marked ■
†000's omitted. §For four weeks to Nov. 1. ♦Gold excluded.
•Millions of dollars. *Final. ♠Supplied by Nesbitt, Thomson & Co.
(a) Compiled by Canadian Bank of Commerce. (b) Priliminary.

Christmas Wrapped
Simon's Havana Cigars
La Florena All Havana Cuban Style
Pandora
Cedarap
CIGARS
10's — 25's and 50's

On the Record

Thirteen regional price ceiling representatives of Wartime Prices and Trade Board appointed. These are: **William R. Dowrey**, Vancouver; **Walter S. Campbell**, Edmonton; **Alexander R. Mackie**, Regina; **George G. A. Young**, Winnipeg; **G. H. Rennie**, Toronto; **Harold McPhillips**, London, **Edwin C. Cossitt**, Brockville, **Alonzo Thomas Smith**, North Bay; **Louis Charles Robitaille**, Montreal; **Louis D. Hudon**, Quebec City; **Charles C. Sullivan**, Saint John, N.B.; **W. Stanley Lee**, Halifax; and **Gordon McDonald**, Charlottetown.

Oils and fats administrator is Mrs. Phyllis G. Turner, chief research economist with Tariff Board and economic adviser W.P.T.B. succeeding Dr. George Hilton.

British Government-owned magnesium plant to be constructed and operated by Consolidated Mining and Smelting Co. of Canada Ltd.

D. M. LeBourdais, Retail Merchants' Association and **James T. E. Aikenhead**, prominent Toronto hardware retailer assisting E. G. Burton, administrator of retail trade.

Wilbert H. Howard, Montreal lawyer, appointed co-ordinator of administrators of pulp and paper products.

H. Reg. Harrison, president of J. P. O'Shea and Co., Ltd., Montreal, appointed administrator of glass and glass products; **Norman M. Yuile**, president of Cassidy's Ltd., Montreal, deputy.

A. H. Williamson, Controller of Supply, administrator of prices on rubber, cork, silk, stoves, transparent film and a wide range of electrical equipment. Deputies are: Alexander Martin, vice-president, Dominion Rubber Co., Kitchener, rubber and rubber products; J. R. Nicholson, Vancouver lawyer, other products.

Christmas trees are exempt from the maximum price regulations.

General licences are being granted to all dealers in all commodities. With the adoption of the price ceiling policy, the W.P.T.B. hopes to have sufficient control of all branches of industry to enable it to discontinue specific licensing.

Lorne Bain, president of Atlas Asbestos Co., Montreal, administrator of asbestos and asbestos products.

D. P. Cruikshank, president of Steel Equipment Co., co-ordinator of metals administration.

Spare tires will not be part of the equipment of new cars and trucks on or after Dec. 15 in order to help conserve the supply of rubber. Buyers of new vehicles are urged to purchase second-hand tires and tubes to be carried as spares.

Raw and dressed fur skins, garments and wearing apparel made wholly of fur will not come under the price ceiling. The W. P. T. B. said it was satisfied with the supply position.

F. A. McGregor, commissioner of Combines Investigation Act and member of W. P. T. B. named enforcement administrator of price ceiling. **Howard M. Brown**, deputy enforcement administrator. 1942 auto and truck prices will be the same as the level of 1941 prices. Minor variations expected. Where models changed. Ruling applies to domestic and imported vehicles for sale to the public; does not apply to export sales nor sales to the Department of Munitions and Supply.

155,000 licence applications have now been cleared. Interim licences, available at offices of regional licensing directors, will tide over until permanent licence secured.

J. G. Dodd, cotton administrator, has nine directors to assist him: W. Tate, manager, smallwares department, Greenshields, Hodgson, Racine Ltd., Montreal, director of miscellaneous for retail; P. Boivin, president, Granby Elastic Web Co., Granby, Que., director, narrow fabrics; A. C. Guthrie, president, Simmons Bedding Co., Montreal, director, bedding and quilting; Roy Scythes, vice-president, J. S. Scythes and Co., Montreal, tents and awnings; W. A. Lawson, president, Canadian Bemis Co., Winnipeg, coarse fabrics, western territory; J. H. Bonar, president, Thos. Bonar and Co., Montreal, coarse fabrics, eastern territory; Harold Stewart, director and eastern sales manager, Hamilton Cotton Co., Montreal, cotton twines and cordage; N. L. Thompson, general manager, Carl-Stohn, Granby, Que., tapestry; K. D. Robertson, vice-president and manager, Dominion Oilcloth Co., Montreal, floor and table covers.

Regional offices of Wartime Prices and Trade Board will also look after Wartime Industries Control Board work. The regional representative will be known as "Prices and Supply Representative." Aim is to avoid duplication of offices and services.

A. Lock, Builders' and Cabinet Hardware Metals Committee has been appointed, comprising Metals Controller, his deputy, and one other member of his staff, together with one representative each from the following companies: Yale & Towne Manufacturing Co. Ltd., Peterborough Lock Manufacturing Co. Ltd., Corbin Lock Co. of Canada, Ltd., Belleville Sargent & Co. Ltd., and Stratford Brass Manufacturing Co. Ltd.

D. S. Fisher, of Enterprise Foundry Co., Sackville, N.B., has been appointed to the advisory committee, for the Controller of Supplies. Mr. Fisher to represent Maritime Province stove manufacturers.

Herman Levy, jewellery administrator, has seven divisional directors to assist him. These are: Robert Amell, Toronto gold jewellery; Robert E. Day, watches; B. E. Ekblad, gold filled, sterling and novelty jewellery; S. Gross, precious stones; S. Stillwell, Toronto, refining and precious metals; Alfred Guay, Montreal, novelties; W. T. A. Walton, Hamilton, silverware.

Christmas turkey prices will find their own levels in relation to a maximum price of 31 cents per lb. at Vancouver and 32 cents per lb. at Montreal and Toronto for dressed birds, Grade A, in carlots. Customary quality premiums are still permissible providing that these do not exceed the maximum price of dressed turkeys Grade A by more than 2 cents per lb.

135,544 tons of Alberta coal has been shipped to Ontario in the six months from April 1 to Oct. 30, 1941 compared with 56,637 tons shipped in the corresponding period of 1940—increase of 157%.

Daily cost of keeping a Canadian soldier in the field is $7.11, compared to $3.77 in 1917-1919, according to Lt.-Col. H. S. DesRosiers, acting associate deputy minister of national defense. Average cost to the United States for one soldier is $12.24.

Gas Welding Non-Ferrous Metals Committee comprises G. C. Bateman, metals controller, two members of his staff, together with one representative each from the following companies: Canadian Liquid Air Co., Ltd., Montreal; Dominion Oxygen Co., Ltd., Toronto; and Wall Chemicals Canadian Corporation Ltd., Toronto.

Seasonal increases on coal and coke prices to consumers will be approved up to a maximum of 50 cents per net ton on domestic sizes. All applications for such increases to go to the Coal Administrator for approval. Effective period for such increases is from Dec. 1, 1941, to April 30, 1942. All increases must be cancelled May 1, 1942.

Cork Importation and distribution will be regulated to forestall a possible shortage. Effective immediately, the cork order limits supplies in the hands of any dealer or processor to his normal requirements for three months.

Port Arthur Has Grown Fastest

Further populations as revealed by the recently-completed Canadian census are as follows:

		% Gain or loss	1941	1931
Galt	+	7.8	15,099	14,006
Hamilton	+	5.3	163,768	155,547
Lachine	+	6.8	19,898	18,630
Moncton	+	8.3	22,411	20,689
Montreal	+	7.8	882,398	818,577
Outremont	—	—	28,621	28,641
Port Arthur	+	22.1	24,206	19,818
Sarnia	+	2.0	18,560	18,191
Stratford	—	4.8	16,387	17,742
Toronto	+	4.1	656,930	631,207
Verdun	+	8.5	65,927	60,745
Windsor	+	5.8	103,961	98,179

The OPEN DOOR

Rural Canada today is a MAJOR market of tremendous possibilities worth every ounce of modern sales effort you can give it.

But it is still a farm market and can ONLY be sold through farm media!

That is why you need a publication like the Family Herald and Weekly Star to do that job for you . . . . The Family Herald is the open door to more than 300,000 farm homes from coast to coast—the largest coverage of any Canadian rural magazine.

Family Herald and Weekly Star
CANADA'S NATIONAL FARM MAGAZINE
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This will be our busiest Christmas

there are bound to be delays!

Christmas Eve and Christmas Day are always the busiest times of the year for us. This Christmas, with so many sailors, soldiers, airmen and civilian war workers on duty all over Canada, we'll be busier than ever.

Everything possible is being done to get ready for the rush. Every switchboard position, every Long Distance line will be open—and hundreds of extra operators will be on duty.

But even so, we know we won't be able to keep the calls moving at normal speed. They'll pour in too fast—pile up and cause delays.

You can help us to help you. If you *do* place a call, please call by number and try to be brief. If nobody talks too long, *everybody* will get better service . . . Thank you — *and Merry Christmas.*

BENSON & HEDGES *suggests*...

make HIM happy with these fine cigars

BENSON & HEDGES

INVINCIBLE • CORONA • BELMONT • NUMBER 7 • ADMIRATION

"Yes, Madam, 'B&H' is all
The buying guide you need.
It means cigars to every taste,
Smoke pleasure guaranteed!"

★

"Now this is what I call a gift—
A gift of downright pleasure,
They're 'B&H' and that means smoke
Enjoyment in full measure!"

PER BOX
Invincible *from* $1.50
Corona - *from* $1.50
Belmont *from* $1.00
Number 7 - *from* 50c
Admiration *from* 50c

Uniform Principles Adopted

Unanimity of opinion among the Canadian life insurance companies that competition should play no part in the use of a war clause in life insurance policies was reported by George W. Bourke, president of the Canadian Life Insurance Officers Association, at the annual meeting of Life Insurance Presidents in New York last week.

Accordingly, Mr. Bourke, who is also actuary of the Sun Life Assurance Co. of Canada, stated uniform principles were adopted and since September, 1939, the inclusion of a war clause in every new life policy issued in Canada has been taken for granted.

An Opportunity for 6 Men

If you have aptitude for selling and the necessary physical and mental equipment to attain success in this sphere, then this advertisement will appeal to you.

A course in salesmanship, limited to six, will be conducted by a prominent life insurance company to train men for highly specialized life underwriting work. The course will commence immediately and will be conducted in the evenings.

Those who apply will first be given a special aptitude test to determine their qualifications. Those who pass this test will be placed under competent instructors for a series of eight lectures in which the following subjects will be featured:

1. The opportunity in life underwriting.
2. Principles of Business Management.
3. Succession Duties.
4. Today's Investment Problems.

Following the classes and to those who prove their fitness for the work, a special opportunity will be offered.

1. A salary and bonus.
2. A guaranteed future and pension.
3. An opportunity to build a prominent business career.
4. Further specialized training.

Men with selling experience are preferred, although men who seek a vocation in which the earning scale is upward, and who are interested in salesmanship are invited to apply.

When replying, please state age, nationality, education, marital status and previous experience. Box 206, The Financial Post, Toronto, Ont.

THE MANUFACTURERS LIFE INSURANCE COMPANY

The Safest Provision is also the Easiest

A REGULAR monthly income from planned Life Insurance is the wisest, safest and easiest provision you can make for your dependents now or for your own retirement later.

Such an income is proof against market fluctuations and economic uncertainties. The money will come in regularly and you can be sure that the payments will continue.

HEAD OFFICE:
TORONTO, CANADA
Established 1887

Banking

Bank Note Circulation Shows Declining Trend

Chartered Banks Prepare to Meet Legal Requirements at End of Year Involving Reduction of 10% of Paid-up Capital

The return of the chartered banks to the Minister of Finance shows their note circulation as at Oct. 31 to be below that of a year ago, with the exception of Barclays which shows an increase.

The decline over the 12 months period is largely a reflection of the legal requirement that the banks by January 1, 1942, must reduce their note circulation by 10% of their paid up capital. This will be the second reduction of this size, and will bring the total reduction in note circulation of the commercial banks to 45% of the paid up capital.

Bank Act Revision

When the bank act was revised in 1934 it provided that after the Bank of Canada began operations in the spring of 1935, the circulation of the chartered banks should be limited to an amount equal to 100% of the paid up capital till January 1, 1936. On that date and for each of the next four years, the banks were required to show a reduction of at least 5% of the paid up capital.

Then, the act said, on January 1 in each of the next five years, the amount of its own notes which any one of the banks could circulate was to be reduced by 10% of the amount of the paid up capital so that by Jan. 1, 1945 the total amount of notes any bank can issue will be reduced from 100% of its paid up capital to 25%.

The accompanying table shows the changes that have occurred during the past year as from October 31 and compared with the same date in 1935. The showing is probably not comparable with the legal requirements for the one year or the six year period but it illustrates the trend.

Note Circulation of Chartered Banks
Millions of $

	Oct. 31 1941	1940	1935
Montreal	17.8	19.8	29.9
Nova Scotia	7.3	8.5	10.2
Toronto	2.9	3.6	4.8
Provinciale	2.3	2.7	3.6
Commerce	15.8	17.1	25.8
Royal	23.3	24.9	32.0
Dominion	4.2	4.7	6.2
Nationale	3.6	4.5	6.6
Imperial	4.2	4.9	6.6
Barclay's	.5	.4	.2
	82.2	91.6	126.4

As the banks reduced their own note circulation they were replaced by notes of the Bank of Canada. The motive in the move was that within 10 years from the establishment of the Bank of Canada, the note circulation of the chartered banks would have been reduced to 25% of the total paid up capital. Meanwhile the Bank of Canada's notes replaced these withdrawn by the commercial banks and also those formerly issued by the Treasury Department at Ottawa. The Bank of Canada took over the banking functions of the department.

When the Bank Act is next revised the note issue of the chartered banks will again come up for consideration.

Chartered bank notes, although not legal tender like the Bank of Canada notes, are of course, always accepted as a circulating medium in Canada and Newfoundland.

When the suggestion was first made to withdraw the circulation privilege from the banks in part at least, it was opposed on the ground that the privilege of issuing their own notes enabled them to concentrate their reserves at central points and use their own unissued notes as the cash reserves of the smaller branches. The saving that resulted from using their own notes it was claimed, allowed them to expand into communities where otherwise they would not be able to operate on an economic basis.

Those who minimized the loss to the banks stated that the central bank supplied its notes at a relatively small charge, which would be more than offset by the saving to the banks in not having to prepare and issue their own notes. The question is still controversial.

Below Legal Limit

It will be noted in the accompanying table that the note issue of Barclays Bank (Canada) has been increasing while that of the others has been declining. This evidently is due to the comparatively recent entry of Barclays Bank into the Canadian field. Its note issue while it shows an increase is still well under the legal maximum allowed by the Bank Act.

Total chartered bank note circulation on Oct. 31 was $82.2 millions compared with $91.6 millions a year ago. As the banks at present are entitled to issue up to 65% of their paid up capital, or $94.5 millions it is evident they are well within the legal requirements. After Jan. 1, 1942, their legal maximum will be approximately $80 millions so that little adjustment has been necessary between Oct. 31 and the end of the year.

Weekly Bank Clearings

	Dec. 11 1941 $	Change Year Ago %	Dec. 4 1941 $
Halifax	3,802,565	+17.4	5,028,155
Saint John	2,287,470	+25.6	2,532,090
Moncton	1,160,764	+21.3	1,386,165
Sherbrooke	876,402	+10.8	1,042,586
Quebec	5,061,777	—4.1	6,887,128
Montreal	100,551,298	+8.8	171,500,645
Ottawa	57,913,046	+39.4	67,022,649
Quebec	5,061,777	—4.1	6,887,128
Kingston	842,472	+30.6	935,484
Peterborough	707,356	+15.7	869,612
Toronto	116,446,358	+11.0	171,796,922
Hamilton	6,381,168	+13.1	8,523,187
Kitchener	1,302,893	+21.4	1,539,672
Brantford	1,091,553	+21.5	1,290,444
London	2,877,320	+9.3	3,338,623
Chatham	745,617	+17.0	897,805
Windsor	3,401,522	+4.7	4,442,654
Sarnia	537,698	+11.7	599,630
Sudbury	1,198,623	+13.3	1,265,542
St. Catharines	1,322,312	.....	1,560,303
Fort William	990,972	+1.0	1,267,709
Winnipeg	62,772,002	+26.2	69,840,213
Brandon	451,089	+17.4	552,271
Regina	5,027,410	—1.3	6,355,266
Moose Jaw	682,745	—4.6	910,634
Saskatoon	1,714,849	+13.8	1,994,516
Calgary	7,398,541	+5.2	8,533,388
Prince Albert	528,316	+4.3	643,278
Edmonton	5,426,954	+24.4	6,416,401
Lethbridge	772,847	+12.3	696,515
Medicine Hat	380,710	—0.5	464,500
N. W'minster	898,656	+35.6	1,000,695
Vancouver	18,292,770	+11.5	25,187,629
Victoria	1,898,340	+5.9	2,167,837

Bank of Canada Assets Lower

Small Decline Due to Reduction of Bonds and Miscellaneous Assets

A decline of about $7.6 millions in total investments is shown in the statement of the Bank of Canada for the week ended Dec. 10.

This decline was entirely in short term issues, holdings of long term securities being a little higher. Miscellaneous assets, including cheques still not cleared, were down $7.4 millions. The total decline was partly offset by a rise in sterling and United States exchange, the total of which is now $147.2 millions representing sterling taken by the bank in exchange for Canadian dollars to be used by the British government in purchasing war supplies in this country. The net result was a small decline in total assets.

On the liability side, note circulation was higher while total deposits were lower.

Liabilities	Dec. 10 1941 $	Dec. 3 1941 $
Capital paid-up	5,000,000	5,000,000
Notes in circ.	474,098,830	469,596,981
Rest fund	3,722,910	3,722,910
Depos.: Dominion	58,102,930	60,712,777
Banks	219,613,865	228,338,446
Other	10,810,584	6,165,408
Total deposits	288,527,379	295,216,631
All other liabs.	10,677,781	10,153,197
Total liabs.	782,026,900	783,689,719
Assets		
In sterling & U.S.	147,202,960	133,852,960
Subsid. coin	345,976	375,799
Investments:		
Dom. govt. short	398,816,050	407,320,294
Other Dom. gov.	221,441,537	220,579,554
Total invest.	620,257,587	627,899,848
Premises	1,823,950	1,822,286
All other assets	12,396,427	19,738,826
Total assets	782,026,900	783,689,719

Defer Date of Application Of New P.P.F. Regulations

The new schedule of regulations and forms for the Personal Property Floater insurance policy recently announced by the Canadian Inland Underwriters Association will not be put into effect on Jan. 1 as originally announced.

Since the schedule was published a few weeks ago, a number of suggestions have been received by the Association, which it has been considered advisable to consider. As there was not sufficient time to give proper study to these before the beginning of the new year, it was decided to postpone the effective date of the new forms. The new date has not been set but it will be as soon as possible, it is stated.

Among the points at issue were the minimum premiums of $35 set by the Association in the new rules, the minimum loss of $15 which would be paid and the scale of commissions.

Agents in many cases felt that the regulation that a policy could not be written for a premium lower than $35 would be an obstacle to many clients renewing policies written previously at lower rates.

The addition of the clause that no claim under $15 would be considered by the companies was regarded as a further sales obstacle.

This same clause, it was also argued, would result in many small claims being boosted to the $15 minimum.

The commission rates authorized were also stated to be unacceptable to many agents.

Bank Chat

Pointing out that Feb. 1 will see the completion of 70 years operation by the Dominion Bank, C. H. Carlisle, the president at the annual meeting last week stated that the institution has continued along the path designed by its founders. "It has neither foregone a dividend nor defaulted on any of its obligations, neither has it merged with or absorbed any other banking institution. It has given both within and without Canada, a faithful and adequate service to its clientele. It contributes yearly large amounts of money to the Employees' Pension and Insurance Funds. It has paid, and is paying, in whole or in part, taxes accruing on employees' salaries received from the Bank. From the services rendered over many years, your Bank has merited the confidence of the public, received that confidence, retains that confidence today, and will always try to be worthy of its continuance."

1941 he noted was not only the 70th anniversary of the Dominion Bank but the 100th anniversary of the establishment of a uniform system of banking and currency set up by one of the first acts of the Legislature of the united provinces of Ontario and Quebec in 1841. Following Confederation the bank act was revised in 1871 and since then practically every decade. He proceeded:

"The Banks not only report their monthly operations to the Government, but for many years have opened their books and their records to shareholders' auditors, and the Inspector General of Banks approved or appointed by the Government. As a further safeguard. Banks are not permitted to make loans against real estate or other fixed assets, the object being to keep the Banks in a liquid position at all times. The result of the foregoing regulation is that the Canadian Chartered Banks are sound, not only in their financial strength but in their basic operations."

The WAWANESA
Mutual Insurance Company
Organized in 1896
Assets $2,894,436.70
Surplus 1,513,855.65
Dominion Gov't Deposit 1,041,353.86
Write for Financial Statement
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

United States
Fidelity & Guaranty
Company
TORONTO

Insurance

War and Bombardment Insurance Doubtful

Decision of Lloyd's and many United States companies to cease writing any new war and bombardment insurance policies on land risks will be followed by similar action by fire and casualty insurance companies in Canada generally, it is expected. In fact the Canadian market is stated unofficially to have been already closed, although as this is written, Lloyd's appear to be the only insurer that has made a definite announcement.

Lloyd's it is understood, re-insures a large percentage of the war and bombardment insurance written in Canada and the United States. Consequently its action in refusing any new business has a powerful influence on what the other companies do.

Up till the entry of Japan into the war, there was only a moderate amount of war and bombardment insurance sold in Canada and this mostly in the Maritimes. Since Dec. 7, however, there has been a considerable demand, especially in British Columbia, while some new business developed in exposed areas in eastern Canada.

In the United States the demand was stated to be very heavy.

As Lloyd's new policies, both in Canada and the United States, have to go to London for final approval, the flood became so great Lloyd's committee in London evidently came to the conclusion the wise thing to do was to refuse any new business.

It is believed, in some quarters, some scheme will be worked out for the assumption by the Dominion Government of all war and bombardment insurance risks similar to that in the United Kingdom. According to such a plan this type of insurance would become a government enterprise for the duration of the war.

Policies presently outstanding will, of course, be honored until they mature. But it is stated they will not be renewed. Lloyd's, it is understood, have some policies on a yearly term. These will be kept in force until maturity. Other companies limited the terms of their policies to 30, 60 or 90 days or some term shorter than a year. These two will be honored for the full term for which written.

Reason for ceasing to write this class of business is the danger of heavy losses in a bombing or shelling raid on either the Pacific or the Atlantic coast which might affect the position of other policyholders in other sections adversely.

U. S. Government Acts

The United States has created a War Insurance Corporation to fill the gap created when the insurance companies there ceased writing this class of policies. The new corporation has a capital of $100 millions and will protect losses due to war and bombardment up to the total amount of its capital. Certain classes of property such as accounts, currency, notes, paintings and other objects of art, etc., will not be insurable under the plan at present. According to the preliminary announcement, this government insurance is voluntary and becomes available by payment of a premium.

In Great Britain, insurance against damage to property due to enemy operations is compulsory on buildings and business assets such as plant machinery, office equipment, etc. To help defray the cost, all property of this kind wherever located in the country must be insured, the premiums being regarded virtually as a tax. Personal property and chattels can be covered by insurance with the government also on a voluntary basis.

The main idea in making insurance of this kind a government enterprise is that the government is the only body able to handle the excessive losses seen in wartime.

Life Insurance Policy Lapses Show Decline

Finds Canadian Mortality is Not Yet Affected Seriously By the War

Life insurance sales in Canada are closely following the same general pattern as they did in the last war, A. N. Mitchell, president of the Canada Life Assurance Co., told the annual meeting of Life Insurance Presidents in New York last week. Production in 1941 he stated was about 10% larger than in the same period of 1940.

This increase he regarded as surprising in view of the large number of life insurance salesmen which had been engaged in the war savings and war loan campaigns; and the many national efforts requiring money and the pressure of taxation.

The lapse and surrender results, however, he stated had shown a remarkable change compared with last war. He submitted figures to show that while in the first three calendar years of the previous war, surrenders had shown increases of from 30% to 80% over the last previous full year of peace, the first three years of this war had actually ranged from an increase of .1% in 1939 to a decline of 8.6% in 1940 and of 23.7% in 1941 to date.

Higher Taxes

The improvement he emphasized was all the more remarkable because at the time of the last war there were no equivalent taxation increases. While the full effect of the present taxation he believed had possibly not yet been fully felt he described the general results as encouraging indicating the business in force on this occasion was less affected by war than it was at the beginning of the last war.

Mortality Rates

Canadian mortality, he said, so far has not been seriously affected but a surprising result has been the small effect on insurance mortality on ordinary policies in Great Britain. He submitted figures to show the actual death losses in 1940 of 22 British companies from war causes to be approximately only 10% of those from normal causes. The figures of three Canadian companies with considerable business in the British Isles, he stated, showed their British mortality experience from Sept. 1, 1939 to Aug. 31, 1941 exclusive of all deaths from war causes to be 45% of the expected. Including war deaths, he said, the experience was about 55% of the expected. The mortality of the same three companies in Canada and the United States for the same period he estimated as slightly over 56% of the expected.

Regarding the downward trend of interest rates in recent years, Mr. Mitchell explained that, while before the war, the plentiful supply of investment funds had carried yields down to an alarmingly low point, the war had not altered the trend.

Lack of Equity Money

Low interest rates in Canada and the United States he attributed largely to taxation methods. Referring to a recent statement of an American Securities and Exchange Commissioner that the lack of money for investment in equities was one of the puzzling aspects of American business, Mr. Mitchell stated that equity investment requires confidence in dividend possibilities. He added:

"When governments impose increasingly heavy taxes on the earnings of corporations, dividend possibilities grow less.

"If investors cease to find equities satisfactory for their investment funds surely they and their agencies, such as the banks, which invest for them, must become competitors with investors such as life companies who desire bonds and other fixed debt issues. If this is so, are not low interest rates on such issues a natural outcome?"

"War, of course, appears to make necessary these taxation methods, which, however, in addition to helping create low interest rates, also build a danger for the post-war period. They undoubtedly break down the corporation's ability to build the essential liquidity needed to provide the capacity necessary for post-war production alterations and other requirements . . .

"It is fortunate that the life insurance companies of our countries have been adapting themselves to this necessity by building large accumulations of surplus beyond the actual legal reserve requirements.

"The legal reserve is fixed by the minimum rate of interest which it is assumed will be earned. When the rates earned approach this assumed minimum the interest from the surplus funds provides the necessary protecting buffer. Even with this protection it appears that, with the average interest rates still declining, we must now consider new reserve bases and the new premium rates that will result. Several companies are already wisely taking action."

Good Will TO MEN

AGAIN Christmas finds us at war. Again Christmas recalls the ideals of peace and good will to men. Christmas is always Christmas. Despite the war . . . despite all that has happened or will ever happen, we extend to our friends everywhere the good old Christmas wish, as timely now as always—A Merry Christmas and a Happy New Year!

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VANCE C. SMITH, Chief Agent
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The Society issues Ordinary Life, Twenty Payment Life, Twenty Year Endowment Certificates and a Modified Endowment maturing at age sixty-five. All Certificates provide cash, loan and paid-up values and generous benefits in case of total and permanent disability.

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Floyd Chalmers From London

How These Three Neutrals Like Hitler

Spain, Portugal and Turkey May be Nazi Targets But Democracies Have Strong Friends There

Spain and Portugal may be Hitler's ext target but the pressure on Turkey ecently abated and its bonds with Britain have just been strengthened. loyd Chalmers, editor, The Financial Post, who has been across the Atlantic or some six weeks has had unusual acilities for securing the authetic in-ormation presented in this article.

By **FLOYD S. CHALMERS**
Editor, The Financial Post

LONDON.—Three of the key neutral, or at ast non-belligerent, countries of Europe are urkey, Spain and Portugal. Turkey and ortugal are bound by varying but long-anding ties of treaty, trade and friendship Britain. Spain has been strongly linked ith the Anti-Freedom axis.

Recently I have had an opportunity to learn omething about the feelings of the people in each of these three countries. In each of them the "swing" is sharply to Britain. Their "neu-rality" is but a facade.

In Portugal, where I spent 12 days between irplanes on my way to Britain, I had the rivilege of talking with all sorts of official d unofficial Portuguese people. No doubt uld be left in one's mind as to the direction which Portuguese sympathies point.

The government and the people are both xious to maintain and demonstrate their ditional friendship to Britain, although it certainty that they will seek to safeguard r perilous neutrality to the last possible ment.

In fact, in order to preserve the outward as-t of neutrality in a war between one bel-erent whom the Portuguese people respect d like and another belligerent whom they r and dislike, the government has had to ort to measures designed to hold in check open an expression of popular feeling.

Great Britain
Greater Reich
Vichy
Vichy France
Porto
Portugal
Lisbon
Madrid
Barcelona
Spain
Cartagena
Cadiz
Gibraltar
Tangier
Spanish Morocco
Algeria
Morocco

Map by THE FINANCIAL POST

For example, the wearing of little lapel buttons, depicting foreign flags or symbols, has, I was informed, been stopped by the police. These buttons were very popular and could be bought in many shops. They showed such symbols as the Union Jack, the R.A.F. flag, the Italian Fascist emblem, the German crooked cross, etc. The British flags were overwhelmingly popular. Most of the shops did not bother to offer the Swastika for sale, as it was a virtually unsaleable item. One little button that began a few weeks ago to gain some popularity was the crest of Portugal, surmounted by the dove of peace and with the word "Neutralidade," the meaning of which will be obvious. But the word got around that the Nazis had "planted" this button on the stores. Since they could find no one willing to express sympathetic preference for Germany, they were brought to the expedient of trying to induce the Portuguese people to express a preference for neutrality and the button lost its popularity.

Finally, the police began to take all buttons away from Portuguese citizens. Thus the profusion of British symbols has disappeared and Nazi protests have been pacified.

Banned Public Newscasts

It was the same with news broadcasts, which every club, restaurant and hotel, used to provide with meals. But the Nazis complained, I was told in Lisbon, that almost nowhere in Portugal were German programmes being broadcast. Wherever the thousands of German agents went for meals, they found the people listening to BBC programmes. So the police had to issue an order prohibiting the public broadcast of news programmes—other than Portuguese—in public places.

Let there be no mistake about it: the Portuguese people are friendly to the British cause.

British newspapers, which arrive daily by 'plane, outsell the German and Italian newspapers. Large crowds gather at shop windows displaying British photographs, posters and merchandise. In public reading rooms, where both British and German literature—printed in the Portuguese language—are available, the comments scribbled on German bulletins are often quite impolite, while the scribbling on Italian literature is positively riotous in its humour.

I saw one Italian illustrated paper with a front cover picturing a squad of Italian troops, carrying rifles, and running across the scene in what was intended to depict a picture of an attack upon a British desert outpost. Some wag had drawn a signpost pointing in the **opposite** direction and labelled in Portuguese "To the Front."

British Victory Only Hope

In Lisbon I talked with an American newspaper correspondent who has spent two years in Spain and had just come out of the country two or three days before.

He reported that the Spanish people were coming strongly to the view that their only hope for escape from the desperate conditions of want and distress in their unhappy country lies in a final British victory in this war.

The victory of the Phalangists in the Civil War did not bring with it an end to internal strife. At least 500,000 of those whom General Franco still regards as "reds" are living in most unpleasant conditions in prisons and concentration camps and little effort has been made to bring about unity of feeling and understanding between the different factions formerly locked in bloody internal strife. There are, my informant said, at least 50,000 homes and public buildings in the country that are still without roofs and other necessary repairs, for the government has been as incapable of repairing the physical damage of war as of repairing the damage to the national morale.

Foreign Minister Suner's continued flirtations with the Nazis have greatly undermined the prestige of the government with the people. Suner himself is thoroughly mistrusted. There is some evidence that General Franco himself is seeking to extricate himself from any ties of "gratitude" that may still bind him to Germany and Italy and that he is seeking the appropriate moment for making approaches to the British and American governments for assistance in feeding his people, restoring his country and insuring him of military assistance if it proves to be necessary to resist an effort by Hitler to cross the Pyrenees.

Soviet
Odessa
Crimea
Black Sea
Iran
Ankara
Turkey
Syria
Baghdad
Iraq
Cyprus
Crete
Damascus
Trans-Jordan
Cairo
Saudia Arabia
Egypt
Red Sea

Map by THE FINANCIAL POST

When Sir Samuel Hoare went to Madrid as British ambassador he was coldly received by the government. But when he left Madrid the other day for a visit to London, the warmest honors were lavished upon him, providing clear-cut evidence that Spain is learning quickly the lesson of the price that neutral or non-belligerent countries pay for reliance upon "aid" from Berlin, and is determined not to find itself, at the end of the war, with no friends on, and no prospect of assistance from, the winning side.

That information on Spain is, I confess, second hand, but I had it confirmed to me by a leading South American diplomat in London who has important lines of communication with Spain.

Turkey Too, Pro-British

Turkey, too, is pro-British in spirit and purpose. The other evening I had a long conversation with a very highly placed Turkish official. I said to him: "Tell me in a word what is the basis of Turkish policy in the war." He replied:

"Turkey's position is difficult, as is the position of every neutral country. We realize that our country is so strategically located in respect to the Near Eastern and Middle Eastern battle-fronts that much depends upon its skilful handling of the situation. My country is under very great pressure from the Nazis. At a time when Crete and Greece are in German hands, and the Nazis are making advances along the north shore of the Black Sea, it is not easy to take a firm stand or to declare openly one's real sympathies.

"Turkey must play for time. It would do great harm to the British cause for my country to declare itself on the side of Britain and invite a Nazi attack upon us. But twelve months from now the situation will be quite different. We have absolute confidence and knowledge that Russia is not going to be knocked out of the war. Hitler will still be battering at the gates of the Caucasus next Spring but by that time the balance of military and material power will be shifting to the side of Britain and Russia. With the great weight of American—and Canadian—material of war pouring into the fight as a mighty river within a year, the time will come for Turkey to declare its position. I forecast that my country will be in the war in a year and that it will be fighting on the side of Britain."

Thus from three great neutral countries comes the same story: confidence in the ultimate victory of Britain and her Allies; distrust and hatred of Hitler and the Nazis; a great feeling of hope and optimism as to the post-war policies of world reconstruction to be followed by America and Britain; and, in the case of Turkey at least, a virtual promise to enter the war as soon as such entry will contribute to a speedy finish of the struggle.

anada's Fast Growing Airplane Industry mbarks on Vast New Programme

By **R. A. KEITH**
Editor, Canadian Aviation

Since the outbreak of war in Europe, Can-a's airplane manufacturing industry has multiplied the plant floor space it uses nine times;

-multiplied the workers it employs fifteen times.

But this isn't enough for the already gigan- production job scheduled for 1942.

To handle that programme a radical con- ntration-of-energy policy is now being put to effect. Up to now Canada has been pro- cing or getting ready to produce 15 types f airplane.

The Dominion industry is now to concen- te its energies on seven types of aircraft.

The Malton plant of **National Steel Car** Corporation Ltd., is more than doubling its present floor area, aiming at 750,000 square feet, while the number of employees is expected to jump from 3,000 to 8,000 within the next year.

Erection of the first plant at Malton was started in April, 1938. The first building was in use before the end of July the same year, with a floor area of 60,000 square feet. Additions in 1939 and 1940 brought the floor space to 360,000 square feet.

The present expansion will raise the plant investment to $5 millions at Malton, while the value of plant equipment will be more than doubled, amounting to something like $2.5 millions.

Simultaneously, the rest of the aircraft industry has been growing steadily to cope with wartime orders.

Boeing Aircraft of Canada Ltd. at Vancouver is now operating four main plants, having more than tripled pre-war floor area to the present 392,400 square feet. Employment is 2,600.

Canadian Car & Foundry, with aircraft plants at Fort William, Montreal, and Amherst, N.S., is at present the largest in the field. Total floor area is 838,500 sq. ft. Total personnel on aircraft production amounts to 8,400.

The **de Havilland** Aircraft of Canada Ltd., which started business in a 50 ft. by 50 ft. hangar with three employees on a farm north of Toronto 12 years ago, now has 2,400 employees and 400,000 sq. ft. floor area.

Fleet Aircraft Ltd. of Fort Erie, another pioneer, had 313 employees before the war and has 1,830 today. Present floor area is 160,000 sq. ft.

Ottawa Car & Aircraft in Ottawa is concentrating on parts production and claims capacity of 40,000 man-hours of productive capacity per week. Floor area today is 250,000 sq. ft. and employment has been multiplied 10 times in the past two years, standing at 2,000 today.

At the **Noorduyn Aviation** Ltd. plants near Montreal, floor area has mounted from 36,000 sq. ft. early in 1940 to 171,000 sq. ft. a year later and 225,000 sq. ft. at present. A construction project now under way will virtually double the latter figure. Correspondingly, employment has risen from 140 in January 1940 to 1,420 a year later and 3,200 today.

Personnel at the **Fairchild Aircraft** Ltd. plant has stepped up spectacularly since the first order for Canadian-built Bolingbroke bombers in Nov., 1937. Immediately before the war there were 150. This went to 3,300 in March 1941, 3,900 in July and 4,300 in November.

One of the earliest aircraft manufacturers in Canada, **Canadian Vickers** Ltd. produced its first plane in July, 1923. The pre-war floor space has been doubled to cover 200,000 sq. ft. and when production gets under way on the Consolidated PBY, the company will take over the Canadian Associated plant at St. Hubert, thus putting the floor space up to 300,000 sq. ft.

The staff of 400 pre-war employees has jumped to 2,200 and is still going up.

What is to be done with this production potential in the next year?

The Planes We Build

The important changes in Canada's production strategy for the air war are these:

The Lancaster four-engined bomber (British) is to be built by National Steel Car Corporation at Malton and Canadian Car & Foundry Co. Ltd. at Fort William.

To make way for this 30-ton bomb-carrier, manufacture of the Martin B-26 "Flying Torpedo" at Malton will be abandoned.

Production of Hurricanes and proposed manufacture of Harvards at Fort William will be ruled out.

As soon as the present Hampden bomber order is completed, Canadian Associated Aircraft will be dissolved and its assembly plants will be used in the seven-plane programme.

The Fairchild "Freshman," an American low-wing monoplane trainer chosen by the R.C.A.F. to succeed Fleets and Moths for elementary training, will be manufactured by Fleet Aircraft Ltd. at Fort Erie.

To put all its energies into Fairchild output, Fleet will cease production of the Fleet 60 advanced trainer with delivery of the 90th plane (on an order for 200) and will cease Hampden fuselage production after completion of the present order.

The de Havilland Aircraft will continue on orders for Canadian Anson fuselage construction and assembly, English Anson assembly, and installation of American engines in English Ansons. At the same the de Havilland Aircraft of Canada Ltd., will work on a $20 million order for a secret British service type aircraft.

Also Maintenance

In addition to new manufacturing assignments, of course, the industry is taking on an increasing load with the demand for maintenance and overhaul of training and service planes. This latter activity is occupying 30 plants from coast to coast, employing 5,000 people.

Eventually, the overhaul business will approximate $100 million a year, according to the Director-General of Aircraft Production.

Following is an outline of the old and new programmes in Canadian plane production:

The 15 types which have been in production at one time or another since the outbreak of war are:

Elementary	**Service Aircraft**
Trainers	Shark
Fleet 16B	Delta
Tiger Moth	Grumman
Menasco Moth	Lysander
Advanced	Norseman
Trainers	Stranraer
Fleet 60	Hurricane
Harvard	Bolingbroke
Anson	Hampden

The **seven** which constitute Canada's future programme are:

Name of Plane	**Built by**
Fairchild "Freshman"	Fleet Aircraft
"Harvard"	Noorduyn Aviation
Canadian "Anson"	Federal Aircraft
Bristol "Bolingbroke"	Fairchild
PBY 5 "Catalina"	Boeing and Canadian Vickers
(Censored)	de Havilland
"Lancaster"	National Steel Car and Canadian Car and Foundry

Although the details have not yet been officially announced, it is understood that the facilities of Canadian Car & Foundry at Fort William will concentrate on producing components for the Lancaster, while the Malton plant of National Steel Car Corporation will be occupied with manufacture and assembly, with the Malton assembly plant of Canadian Associated Aircraft to increase capacity.

The plan to produce the Lancaster and the secret type in this country is a swing of the pendulum back toward collaboration with the British industry. The establishment of supply sources on this continent and the ability of the industry to convert British specifications into North American equivalents promises to avoid some of the production tangles which snagged output of Lysanders, Bolingbrokes, Hampdens and Ansons in this country.

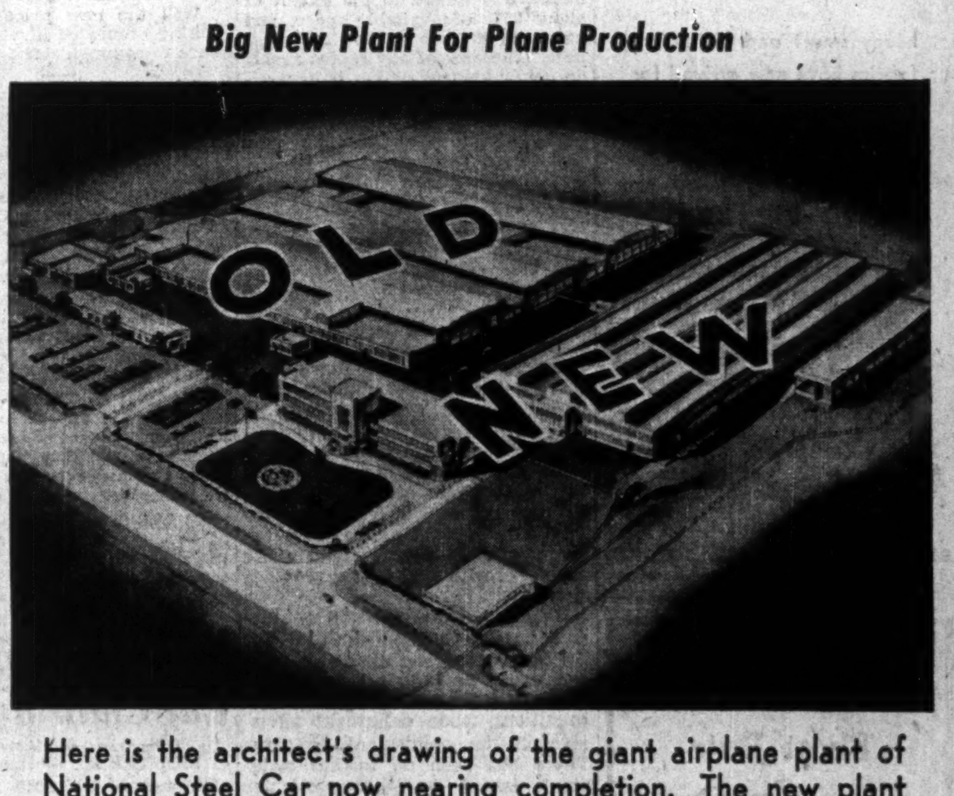
Experienced observers have warned against the dangers of estimating the difficulties inevitable in attempting to transplant across the Atlantic production of a 30-ton British bomber. They maintain that sending Canadian production men to observe manufacture of the type in English factories will not be sufficient.

The only way to get results, they say, is to import experts from A. V. Roe and Company, English manufacturers of the Lancaster. These experts, having "lived" with the job and knowing all the complications and pitfalls, could anticipate difficulties and would save precious man-hours.

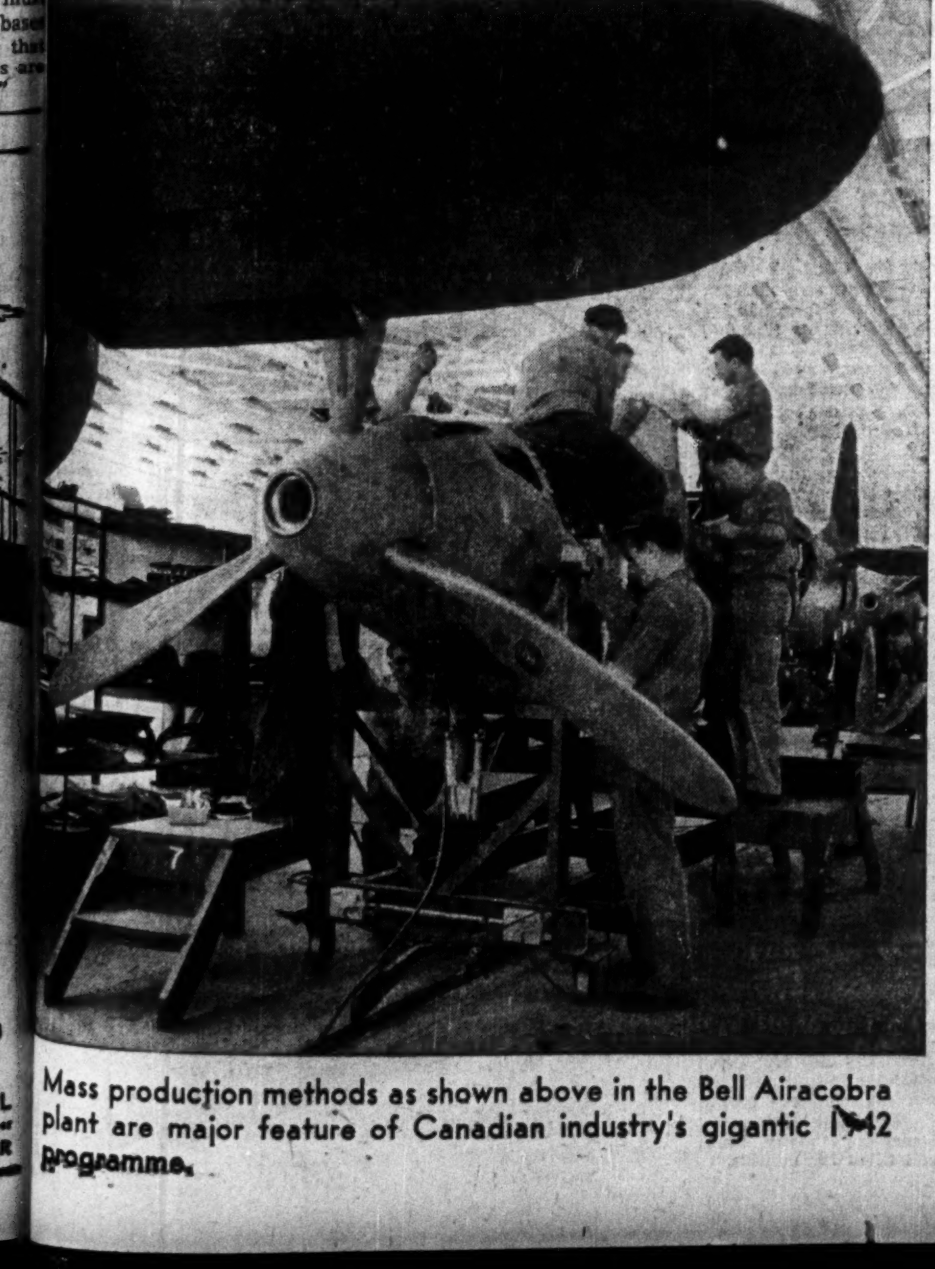
Substitution of the Fairchild M-62 or "Freshman" for the Fleet 60 in the Fleet Aircraft plant comes as no great surprise to the aircraft industry. The M-62 was selected by the Royal Canadian Air Force to succeed the Fleet 16 and the Tiger Moth after competitive tests last spring. Since then it has been a question of who would have capacity to manufacture the type in this country.

The Fleet 60 has the misfortune of virtually duplicating the function of the North American Harvard in the training programme. Originally it was conceived as a step between the elementary Fleet 16 or Tiger Moth and the advanced Harvard. Experience has demonstrated, however, that the average flying student is able to step directly from the elementary trainer into the Harvard and can solo in the latter after two or three hours instruction.

Big New Plant For Plane Production



Here is the architect's drawing of the giant airplane plant of National Steel Car now nearing completion. The new plant more than doubles the working space. Note that it is a "double decker."



Mass production methods as shown above in the Bell Airacobra plant are major feature of Canadian industry's gigantic 1942 programme.

Since outbreak of war, Canada's airplane industry
—has multiplied workers employed fifteen times
—has multiplied floor space nine times

Spending Dollars to Get U.S. Dollars

Ottawa Pays 24 Firms to Expand so Exports Can Increase

From Our Own Correspondent

OTTAWA.—Primarily to encourage expansion of plants where the production can be exported to the United States—thus increasing Canada's supply of U. S. dollars— the Canadian Government has granted tax concessions and special write-off privileges to 24 firms.

About $42 millions is being spent in this way and it is estimated about 1½ to 2 years of operation will supply this amount, or more in U. S. exchange.

Examination of the contracts between the government and the 24 Canadian firms getting tax credits under the War Conservation Act, reveals that a variety of yardsticks will be used in measuring the amount of such credits. Each of the 24 concerns export a large part of their production, and in each case have maintained that the expansion necessary to increase these exports, and thus help Canada's chronically serious exchange situation, would not be warranted from a strictly commercial point of view and, therefore, that government assistance is necessary.

An exact estimate of the amount of U. S dollars to be garnered by the programme is not possible, because some of the individual estimates are based on an annual export figure, some on a total, and some for a definite number of years.

However, a rough total of the figures indicated in the table below, on an annual basis, indicate the government expects to increase exports to United States by something over $31 millions annually for the next few years, by an expansion programme aggregating approximately $42 millions. In other words, if the plan lives up to expectations, the cost of the programme should be returned via increased exports in less than a year and a half.

Most of the contracts allow the company to write off the cost of its expansion programme in three years, by special depreciation allowances of one third the cost each year. Others, such as Falconbridge, are allowed special depreciation privileges based directly on quantity of production, or quantity of U. S. dollars derived from their business.

Most ambitious expansion programme is the International Nickel Co. of Canada Ltd., which calls for an expenditure of $34 millions. Of this amount, tax credits allow for $25 millions.

Important details from each contract are set forth in the table below according to the dates on which the contract was signed.

Name of Firm	Location	Date of Agreement 1941	Amount of New Plant Commitment (Can. Funds) $	Purpose of Expenditure	Products to be Exported	Estimated Exchange in U. S. Funds	Key to Tax Concessions (See Below)
Sinclair Spruce Lumber Co.	Vancouver	May 28	60,000	Addition to plant	Lumber	230,000 per annum	A
Eagle Lake Sawmills Ltd.	Giscome, B.C.	May 29	65,000	Dry kiln	Lumber	300,000 per annum	A
Ayerst McKenna & Harrison Ltd.	Montreal	June 7	175,000	Biological laboratory	Pharmaceutical prods.	230,000 per annum	C
Powell River Co.	Vancouver	June 7	980,000	Plant improvement	Pulp	3,375,000 in 3-yr. period	A
Matachewan Cons. Gold Mines	Matachewan, Ont.	June 7	310,000	Mine mill equipment	Gold	3,500,000 (total)	F
Upper Fraser Spruce Mills Ltd.	Giscome, B.C.	June 18	25,000	Logging equipment	Lumber	130,000 per annum	A
Canadian Cerium Co.	Montreal	June 21	15,500	Plant expansion	Smok'g pipes, flints, etc.	(Not est.)	G
Abrasive Co. of Canada, Arvida, Ltd.	Arvida, P.Q.	July 5	50,000	New furnace unit	Abrasive ore	100,000 per annum	A
B. C. Pulp & Paper Co.	Vancouver	July 8	741,000	Plant extension	Pulp	1,150,000 per annum	F
Gaspesia Sulphite Co.	Quebec	July 9	631,000	New steam plant	Pulp	(Not est.)	H
Powell River Co.*	Vancouver	July 11	333,000	Plant extension	Pulp	1,125,000 in 3-yr. period	A
Preston East Dome Mines	Toronto	Aug. 11	375,000	Mill incr. from 500 to 1,000 tons daily	Gold	1,150,000 per annum	F
Int'l. Nickel Co.	Copper Cliff	Aug. 19	34,000,000	Incr. output 50 million lb. per year	Nickel	†15,000,000 per annum	I
Falconbridge Nickel Co. Ltd.	Toronto	Aug. 28	901,920	Incr. output beginning 1942 by 3 million lb. nickel, 1.5 million lb. copper per year	Nickel-copper	885,000 per annum	K
Brown Corp.	Quebec	Aug. 29	650,000	Extend, improve plant	Pulp	700,000-1,000,000 per annum	F
Bloedel, Stewart & Welch Ltd.	Vancouver	Aug. 30	500,000	Kilns	Lumber	700,000 per annum	A
Eburne Sawmills Ltd.	Vancouver	Aug. 30	139,000	Kilns; planing mill	Lumber	300,000 per annum	B
Western Peat Ltd.	New Westminster	Aug. 30	(Not given)	Working capital	Peat	100,000 (total)	E
Industrial Timber Mills	Youbou, B.C.	Aug. 30	48,000	Dry kiln	Lumber	600,000 per annum	B
Alaska Pine Co.	N. Westm'ster, B.C.	Aug. 30	150,000	Kiln; planing mill	Lumber	800,000 per annum	B
Sorg Pulp Co.	Vancouver	Sept. 30	1,100,000	Pulp mill	Sulphite pulp	2,000,000 per annum	E
Normetal Mining Corp.	Toronto	Sept. 30	165,000	Incr. zinc capacity from 630 to 780 tons per day	Zinc, gold, silver	208,000 per annum	
Connors Bros. Ltd.	Blacks Harbor, N.B.	Oct. 17	46,347	Quick freezing cold storage plant	Canned fish	150,000 per annum	F
Chisholm Sawmills Ltd.	Edmonton	Nov. 4	32,001	New equipment	Lumber	300,000 per annum	A
Pacific Mills Ltd.	Vancouver	Nov. 5	585,000	Sawmills, sulphate plant	Pulp	2,244,750 in 3-yr. period	A

*Extension of previous contract.

†Est. saving $15 millions over five year period through price adjustments from U. S. sub. and also through increased output which in 1943 est. at $12 millions higher than 1940.

A—Entire cost of commitment deductible via depreciation in 3 years.
B—Entire cost of commitment deductible via depreciation in 2 years.
C—75% of cost of commitment deductible via depreciation in 3 years.
D—66 2/3% of cost of commitment deductible via depreciation in 2 years.
E—Lower E.P.T. allowed as in first part of second schedule, Excess Profits Tax Act, 1940.
F—Entire commitment deductible via depreciation in 4 years.
G—Special depreciation allowance of 7% of amount of U. S. dollars derived from business up to $15,500 in 3 years.
H—80% of commitment deductible via depreciation in 2 years.
I—$5 millions per year deductible for 5 years.
K—From 1942 on, depreciation allowance equal to 1 cent per annum per lb. of all nickel sold up to cost of commitment.

Security Sales At High Point

Sales of Bonds to U. S. Increase Heavily in September

Net sales of securities in September reached the highest point since January, 1940, with total of $3.7 millions comparing with net sales of $1.2 million in August.

Increased sales of Canadian bonds to the U. S. mainly accounted for the rise in total net sales, the Dominion Bureau of Statistics reports. While each group of Canadian bonds except unguaranteed railway issues were sold to the U. S. on balance, the trade in Dominions, provincials and municipal bonds contributed the largest part of the increased balance of sales. Transactions in Canadian stocks were mostly offsetting and Canadian holdings of U. S. stocks continued to be sold on balance.

Practically all of the trade in securities was with the United States, as in past months, with repurchases of securities from the United Kingdom being divided between Canadian bonds and stocks and transactions with other countries again being small.

Net sales of securities in the nine months ended Sept. 30, 1941, amounted to $18.6 millions, total sales being $67.9 millions and total purchases $49.3 millions. Net sales of Canadian securities accounted for over $6 millions of the total and net sales of U. S. securities about $12 millions. During this period net sales to the U. S. were almost $20 millions and net repurchases from the United Kingdom $1.4 millions. In the corresponding months of 1940 total net sales were $24.8 millions with net sales of Canadian securities representing $9.2 millions net sales of U. S. securities $14.6 millions.

Details of the securities trade with the United States follow:

Analysis of Securities Trade with U. S.
Nine Months Ended Sept., 1941

	Sales to U.S. $	Purchases from U.S. $
Bonds & debentures:		
Can. new issues	986	......
Can. o/s issues:		
Dominion	1,877,223	428,469
Provincial	1,362,777	537,838
Municipal	448,558	43,885
Dom. gtd.	857,019	749,566
Other railway	1,026,151	1,340,234
Other corps.	983,580	846,152
U. S. new issues:		
Government	......	26,533
Other	......	10,928
U. S. o/s issues:		
Government	259,209	226,845
Other	394,906	258,173
Other o/s issues	52,724	19,072
Unspecified	337,794	135,122
Stocks:		
Canadian	1,419,206	1,322,200
United States	1,958,645	847,425
Other countries	5,519	294
Short term securities	16,996	1,001
Other securities:		
Canadian	10	7
Other countries	2,679	2,325
Grand total	11,003,982	6,796,069

Sangamo Works 50% for War

Business Well Up On Year; Bonds Finance Expansion

Total volume of business being handled by Sangamo Co. is well ahead of a year ago, The Financial Post is informed. Normal business is at about the same level, but there has been a considerable expansion in war work. It is understood that about 50% of the company's total volume is for direct war account. There is also a considerable backlog of work on hand.

Sangamo has been carrying out considerable expansion of its plant facilities to meet the flow of business. To reimburse itself for capital expenditures at the Leaside plant, the company has sold privately $150,000, 10-year serial mortgage bonds through Dominion Securities Corp. The bonds are callable at 101 and mature in annual blocks of $15,000 from Nov. 1, 1942, to Nov. 1, 1951. Interest rate for the first two years will be 3%, next two years 3½%, fifth year 4%, and sixth to tenth years 4½%.

Sangamo is mainly engaged in the manufacture of electric meters, motors and time switches.

Coal Men Seek Higher Prices

Many Asking Permission to Raise Prices Up to 50 Cents

Many requests are being received by the Wartime Prices and Trade Board from coal dealers for permission to make a seasonal increase in the price of coal. Such requests, however, are being considered on an individual company basis and permission to raise prices will be granted only if the fact of higher costs warrants.

Ottawa last week announced that seasonal increases on coal and coke retailed to the consumer would be allowed up to a maximum of 50 cents a ton. The effective period for such increases will be Dec. 1, 1941, to April 30, 1942, with all increases to be cancelled May 1, 1942.

Each retailer must prove to Coal Administrator J. McG. Stewart that his costs have advanced so much that a higher retail price is necessary to maintain his margin of profit. During the summer there was an increase of around $1.25 a ton in the mine price for American anthracite.

Considerable efforts have been expended to widen the use of Alberta coal, particularly in Ontario, with the result that sales are up around 150% over a year ago. Coal men state that while Alberta coal is achieving greater popularity in the East, the consumer has to be educated to its use.

The retail coal business has been rather slow for the past month or so, partially due to the weather, but largely owing to the heavy buying that went on during the summer. Efforts of the Coal Administrator to have Canadian householders stock up with coal early met with considerable success and many bins have been well filled for months.

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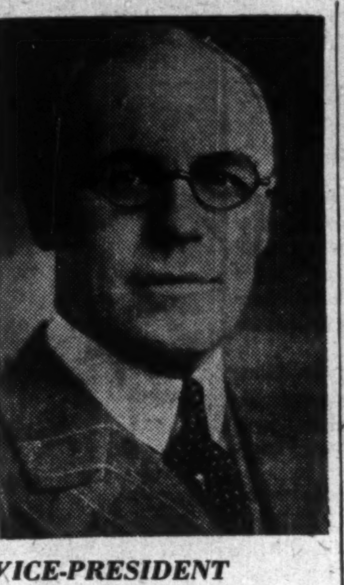

VICE-PRESIDENT

George A. Morrow has been elected a vice-president of the Canadian Bank of Commerce, filling the vacancy caused by the death of the late Miller Lash. Mr. Morrow is chairman of the executive committee and a director of the Imperial Life Assurance Co., vice-president and managing director, Central Canada Loan and Savings Co. and vice-president of the National Trust Co., Western Assurance Co., Burlington Steel Co. and a number of other Canadian corporations.

Wabasso Cotton Co. Steps Up Dividend

From Our Own Correspondent

MONTREAL. — Directors of Wabasso Cotton Co. have declared, in addition to the regular quarterly dividend of 50 cents a share, an extra dividend of 50 cents a share, both payable Jan. 2 to holders of record Dec. 20.

The present extra is the first change in the dividend since March, 1940, when the stock was placed on a $2 annual basis, compared with the $1.50 rate previously prevailing. This makes a total distribution for the year of $2.50 a share, compared with $2 last year.

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for every purpose
Barber-Ellis
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TORONTO – BRANTFORD
BRANCHES FROM COAST TO COAST

PLAN AHEAD

The government of Canada has announced plans to finance much of the war expenditure out of current revenue. War taxes of various sorts are being imposed. To meet them the first step is to save systematically. Open an account with this Corporation and be ready when the government calls.

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Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Adelaide-Sheppard

Can you give me any information on the position of the defaulted bonds of Adelaide-Sheppard Co., operating the Concourse Building in Toronto?

The Adelaide-Sheppard Co. bonds are represented by a bondholders' committee under the chairmanship of W. R. Sweeny. No report has been made to bondholders since 1939, but the 1940 report has been made up and approvad and should be forwarded in the near future.

Efforts are being made to reorganize the company's financial structure, exchanging income bonds and stock control for the present defaulted bonds outstanding. By this means, the bondholders would save the expenses of operating the property under receivership, and would retain their present preferred position by means of holding a security whose interest comes before income and excess profits taxes.

There may be some delay in bringing this plan to fulfillment. In the meantime, it is stated that the building is rented to the extent of about 95% of available space, and has been in this position for some time. The lack of any recent report on actual returns makes it impossible at present to determine the position of the bonds, or the probable effect of the reorganization now under consideration.

National Grocers

I would appreciate any information you can furnish me on current earnings and outlook of National Grocers Co.

Sales of National Grocers Co. during the six months ended Sept. 30, 1941, are understood to have been sharply higher than for the same period a year ago. However, in view of increased taxes and additional government regulations, there is no prediction of the possible effect of this gain on net profits for the current year. In the year ended Mar. 31, 1941, net earnings on the common were 88 cents per share compared with $1.27 for the previous fiscal year.

No dividends have been paid to date on the common stock of this company. Common dividends were considered in 1940 but the uncertainty of taxes and general wartime conditions made deferment advisable in the opinion of directors. There has been no further statement issued on this particular question.

Caldwell Linen

Does the recent offering of Caldwell Linen shares reflect an expansion policy? How do the earnings of this company compare with other textile units?

The recent offering of preferred stock in Caldwell Linen does not reflect an expansion policy on the part of the company at present. The sale of the stock has been the distribution of holdings which were previously held in private hands.

The position of the company relative to other textile companies is that Caldwell Linen is distinguished from other Canadian companies, it being one of the few, if not the only company devoted to the production of linen in Canada. Catering to a more specialized market, the company has not been subject to as wide a swing as has affected some other firms in the more general trades. At present linen production is at a low level as a result of scarce supplies of flax. This production is being more than made up by the rising demand for products composed largely of cotton, which the company is equally able to produce.

Price & Wage Ceiling

Will the new price and wage ceiling orders be of vital importance to common stock earnings?

The full impact of the price and wage ceiling on common stock values cannot be estimated at present. In some cases it will undoubtedly be serious if inflexibly enforced, and it appears generally true that companies that import will be harder hit than companies which export the majority of their output. The ruling would indicate that there will be no further widening of the profit margin per unit of output sold. Actually, in a great many cases, the profit margin per unit sold has been dwindling, as a study of recent balance sheets will show.

This would appear to leave open as the only means of increasing profits, the possibility of increasing volume. Companies which cannot further increase their production and sales would appear to be definitely at the peak of their earnings for the war. However, we must repeat that it is still too early to draw any hard and fast conclusions as to the working of the new ceiling.

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War Spending Increase Bigger Than For Income

War expenditures by the Dominion Government jumped 65% in November over November, 1940, and were 8% ahead of the previous month. Receipts during the month climbed 70% over a year ago while total disbursements were up 46%.

In the first eight months of the current fiscal year war expenditures were 85% higher than the same period a year ago.

Increasing expenditures, of which the war cost is the chief item, continue to outstrip the improvement in revenues to add to the national operating deficit.

Expenditures during the month rose to $170.3 millions from $165.8 millions in October and $116.3 millions in November, 1940. Receipts improved moderately to $108.2 millions from $104.7 in October and $63.8 millions November, 1940.

Total deficit of the month of $62.1 millions compared with a deficit of $61 millions in the previous month and $52.5 millions for November a year ago. Cumulative deficit for the first eight months of the current fiscal year now stands at $101 millions. At the same time a year ago cumulative deficit amounted to $179 millions.

Collection of income taxes was $4.2 millions up over the previous month while customs import duties were down some $2 millions, to be the heaviest changes among receipts during the month. Among expenditures, ordinary expenditures dropped $7 millions on the month as relief works and grants increased $3 millions. War expenditures of $120 millions were up $9 millions over October.

For the first eight months of the current fiscal year all items in the receipt side show substantial gains over a year ago, income tax collections showing the greatest increase at $243 millions ahead of a year ago. War expenditures were $333 millions higher in the eight months.

Expenditures on government enterprises during the eight months were down $14.8 millions accounted for by wiping out of the C. N. R. deficit which amounted to $14.7 millions in the first eight months of 1940. Figures for the month and eight month period follow:

Receipts and Disbursements
November

	1941	1940	Change
	In $000's		
Receipts			
Customs	13,297	9,919	+3,378
Excise duty	10,263	8,581	+1,682
Exc., sales tax	41,624	27,386	+14,238
Income tax	34,024	11,971	+22,053
Post office	4,440	3,103	+1,337
Sundry	4,633	1,854	+2,779
Special	191	1,002	—811
Total	108,474	63,819	+44,655
Disbursements			
Ordinary	40,443	40,778	—335
Capital	609	322	+287
War	120,090	72,343	+47,747
Relief wks.	9,170	1,843	+7,327
Gov. enterpr's.	33	41	—8
Sundry	22	1,011	—989
Total	170,369	116,340	+54,029

Eight Months Ended Nov. 30

	1941	1940	Change
	In $000's		
Receipts			
Customs	94,664	84,342	+10,322
Excise duty	72,343	58,658	+13,685
Exc., sales tax	285,210	162,494	+122,716
Income tax	407,533	164,703	+243,830
Post office	27,294	22,479	+4,815
Sundry	21,442	12,956	+8,486
Special	2,560	1,246	+1,314
Total	911,049	506,880	+404,169
Disbursements			
Ordinary	259,780	250,983	+8,797
Capital	2,489	2,521	—32
War	726,237	392,786	+333,451
Relief works	22,603	16,341	+6,262
Gov. enterpr's.	639	15,505	—14,866
Sundry	199	7,185	+6,986
Total	1,011,949	685,324	+326,625

U. S. Pulp Makers Cut Chlorine 50%

From Our Own Correspondent

MONTREAL. — Restriction in the use of chlorine by United States pulp and paper makers is expected to make available 65,000 tons for national defense purposes during 1942. The Office of Price Administration issued an order last week saying that a 50% reduction in the use of chlorine was expected for the coming year.

Chlorine used for bleaching purposes is needed by the armed services for the manufacture of degaussing cable, cooling agents in airplanes, water purification and in production of gun cotton. It is also used in the preparation of waterproof paraffin for tents and in other ways.

Howard Smith Allotting Customers Share of Supply

To act as a brake on its rapidly growing backlog which is the root-cause of delayed delivery promises. Howard Smith Paper Mills has recently put into operation an allotment system whereby former customers are offered a definite share of the company's production. By the end of this year, customers will know exactly how much of the company's product they can expect to receive during any month of 1942. The system will allow a fair and equitable distribution of the company's entire production.

This information is contained in the first issue of the "Howard Smith News Letter," to be a monthly digest of news of interest to fine paper users. The letter notes the steps being taken throughout the pulp and paper industry to ensure adequate paper supplies and gives details of the effect on Howard Smith grades. Along with a substantial reduction in the number of colors, sizes, etc., now being offered by the company the conservation programme means the entire elimination of 11 lines of paper.

Such action on the part of fine paper makers was first suggested in The Financial Post on Dec. 6.

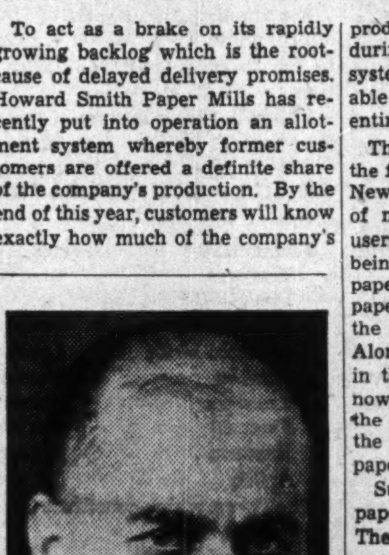


Photo: Blank-Stoller.

ON AIRCRAFT BOARD

S. Godin, Jr., vice-president of Montreal Light, Heat & Power Consold., who has been elected to the board of Noorduyn Aviation Ltd., replacing Lorne M. Coughtry, who has resigned.

C. P. R. Ordering 17 Locomotives

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway Co. has ordered 17 steam locomotives 4-6-2 type for passenger or freight service from the Canadian Locomotive Co. This is in addition to 20 locomotives ordered from the same company some time ago.

It is understood that deliveries on the original order will start shortly, though there is no indication as to when the second lot will be completed. However, it is believed the Canadian Locomotive Co. has been accumulating materials and equipment for the new order.

Retailer Must Continue Lower-profit Goods

From Our Own Correspondent

OTTAWA.—Price ceiling administrators have made it clear this week that, while retailers may reduce the variety of their merchandise, and may even be encouraged to do so, officials will insist that low priced lines, on which the profit margin may be narrow, must be kept available to the public.

This means that if a retailer finds his margin of profit is being squeezed out of existence on the lower priced, slim-margined lines, he will not be able to solve his troubles by merely dropping such lines. He must, instead, "roll the squeeze back" to the wholesaler and manufacturer.

"Goods" says the latest pronouncement, "must continue to be produced and sold in the various price ranges which existed during the basic period, and the consumer must receive the same value for his money in materials, size, quantity, style, workmanship and intrinsic value."

Here again, the Board is relying largely on the consumer to do the tremendous policing job required if this regulation is to be enforced.

Newsprint Dollar Value Gains

Tonnage Volume Just About Same as 1940

From Our Own Correspondent

MONTREAL.—It is now possible to appraise 1941 operating results for the newsprint industry.

Canadian mills will turn out approximately 3.4 million tons, or roughly the same as in 1943 when production totalled 3,418,803 tons.

Newfoundland's two mills may set a production record, in which event they will have to produce better than 351,000 tons, the record set in 1940.

American mills will produce almost the same tonnage as in 1940, namely, 1,015,000 tons.

Though indicated volume of production for the Canadian mills will not show any material change, the dollar value of business done in 1941 will be the best in many years and higher than reported in 1940.

This condition arises almost solely from an increase in shipments to the United States. The indicated gain is around 150,000 tons, which will just about offset the decline in shipments overseas. However, as the American shipments are paid for in U. S. funds and part of the overseas business in sterling, there is a good gain in the net dollar balance of trade.

Newfoundland Prospers

Undoubtedly the greatest improvement this year has been recorded by the two Newfoundland mills. Last year they shipped 146,911 tons to the United States for which they were paid in U. S. dollars. This year they will ship in the neighborhood of 210,000 tons. On the other hand there is a drop in overseas business which will tend to hold down aggregate value of sales. However, on balance, the Newfoundland mills should do appreciably better in 1941 than was the case last year.

The position of the American mills has not undergone any noticeable change, output continuing at close to effective capacity.

Last month the Canadian Mills produced 300,308 tons, according to returns compiled by the Newsprint Service Bureau and the Newsprint Association of Canada. This was about 18,400 tons less than in the previous month, but 18,000 tons more than in November last year.

Cumulative production by the mills in this country for the first 11 months of 1941 totalled 3,125,042. This contrasted with 3,165,906. While off fractionally, nevertheless output was considerably above the average of previous years.

Shipments Well Up

Production has been co-related closely to demand, shipments in November reaching 320,860 tons, making the total for the year to date 3,135,383 tons. In November last year the Canadian mills shipped 286,739 tons and to the end of that month, 3,159,477 tons. This was the third largest output for any like period in the history of the industry.

Several interesting changes have been noted in the trend of sales during the current year. Domestic demand has been better than for several years past. American demand has increased moderately, in line with anticipations. At the same time overseas business has slumped due to many reasons, but principally because of the need of shipping space for more urgent purposes and to the exchange situation.

Trend of Shipments

The trend of Canadian mill shipments for the past 11 months, together with comparative figures for 1940, are set out below:

Canadian Mill Shipments
(11 Months ended November)

	1941 tons	1940 tons
Domestic	181,408	168,192
United States	2,501,573	2,373,456
Overseas	452,402	617,829
Total	3,135,383	3,159,477

Newfoundland Active

Last month the two Newfoundland mills produced 27,766 tons of newsprint paper. This was 2,000 tons less than in October and 3,000 tons under that reported for November last year.

For the current year to the end of November, the Island mills turned out 320,350 tons, or slightly less than for the corresponding period last year.

The Newfoundland mills stand a chance of setting a production record this year. In order to do that they will have to produce more than 31,000 tons this month.

Change in Markets

A major change has occurred in the marketing of Newfoundland newsprint this year. Ordinarily the larger share of output is marketed in the United Kingdom and other parts of the Empire. The United States has been the second largest market, but ranking well below the U. K.

This year well over half of the Island's newsprint output will be marketed in the United States. This will mean a substantial increase to the Island's U. S. dollar reserve.

How Newfoundland's market has swung around in the past year is indicated in the following table:

Newfoundland Mill Shipments
(11 Months ended November)

	1941 tons	1940 tons
Domestic	664	652
United States	194,046	129,531
Overseas	116,686	200,127
Total	311,396	330,310

U. S. Mills Hold Steady

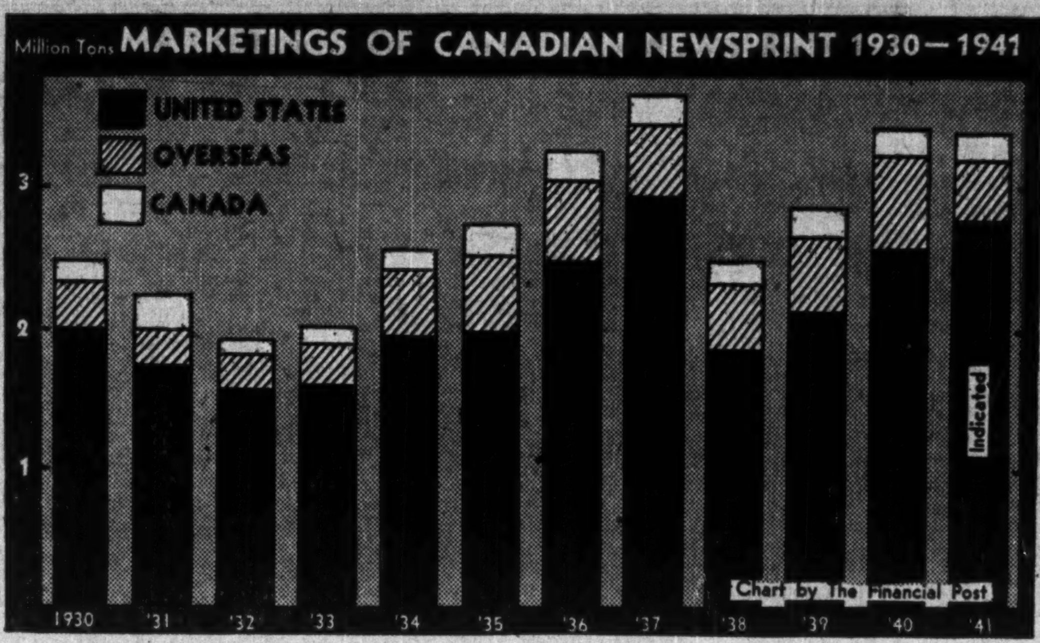
Output of the American newsprint industry last month, at 82,621 tons, was fractionally under that reported for the previous month and for November, 1940.

For the 11 months ended last November the American mills manufactured 933,232 tons, compared with 932,600 tons for the same period last year.

Shipments have been slightly larger than production—936,783 tons to the end of last month, as against 928,897 tons in 1940. This resulted in a reduction of some 8,000 tons in mill stocks.

May Be Big Month

Operations during the current month have been strongly influenced by the development of war conditions in the Far East. For the time being China, Japan and the Netherlands East Indies are eliminated from the market setup for Canadian mills. On the other hand, shipments to Australia and New Zealand are not affected. Demand from the United States has risen sharply. On balance, both production and shipments during December should stand up well, enabling the operators to finish up one of the best years in their history.



U. S. Newsprint Consumption Boosted 25% by War News

From Our Own Correspondent

MONTREAL.—Directly reflecting war developments of the past 10 days and the public's avid interest in war news, consumption of newsprint paper in the United States has increased 25%.

Heavy demands have been made upon all Canadian manufacturers for additional supplies during the past week and it is anticipated that use of newsprint paper in the United States for December will be the largest of any month in some years, if not the largest on record.

Meanwhile war conditions in the Far East have affected the Canadian industry in other ways. Shipments to Japan, China and Dutch East Indies have come to a halt.

Maintain Other Trade

Shipments to Australia, New Zealand, India and other markets in the more southern area are not affected. Deliveries are being made regularly and there are no indications at this time of a break in shipments.

The trade to Japan, China and the Dutch East Indies approximates some 40,000 tons a year. This is not a serious loss to the Canadian mills and has or will be more than made up by the increase in newspaper circulation in the United States.

Timber Cut Up For Quebec

From Our Own Correspondent

MONTREAL.—Permits for cutting 454 million cu. ft. of wood throughout the Province of Quebec have been issued to Dec. 1 this year, an increase of 25 million cu. ft. over the like period of last year, according to the provincial Ministry of Lands and Forests.

It is estimated that between 36,000 and 38,000 men are at present working in the forests. This figure is substantially below that of last year.

Canadian Mills Better Operations

Newsprint Mills Report Gain in Output and Shipment Ratios

From Our Own Correspondent

MONTREAL. — Operations of Canadian newsprint mills, as reflected by production and shipments, were on a larger scale in November, according to returns released by the Newsprint Association of Canada. Operating ratio moved up to 85.5, as against 77.1 a year ago, while shipment ratio at 91.4 compared with 78.3 in November, 1940.

The ratio trend of production and shipments by months for 1940 and 1941 follows:

(Percentage of Capacity)

	Production		Shipments	
	1941 %	1940 %	1941 %	1940 %
Jan.	71.5	68.5	66.6	66.7
Feb.	72.9	65.8	71.1	60.0
Mar.	75.5	68.6	72.8	64.2
Apr.	76.7	73.4	78.2	72.9
May	75.1	85.1	76.8	87.9
June	77.9	89.5	80.3	96.1
July	80.4	90.8	82.2	92.1
Aug.	80.2	83.2	81.3	87.3
Sept.	84.9	83.5	86.9	84.0
Oct.	84.1	81.5	80.3	75.7
Nov.	85.5	77.1	91.4	78.3
Dec.	...	71.8	...	78.5
Year	...	78.3	...	78.7

Southland Paper Mills Adding Kraft Unit

From Our Own Correspondent

MONTREAL. — Southland Paper Mills Inc. of Herty, Texas, announces it will build an addition of a 50,000-ton kraft chemical pulp mill to cost $2,075,000.

It will be recalled Southland Paper Mills was the first newsprint plant to be established in the southern United States to utilize southern pine. The new project has no bearing on the newsprint capacity of the mill.

Newsprint Mills Reduce Stocks

Paper Supply at End of Last Month 41,000 Tons Less Than Year Ago

From Our Own Correspondent

MONTREAL.—Market position of the North American newsprint mills underwent considerable improvement during November, judging by the volume of paper on hand at the end of the month.

Stocks of newsprint paper at all mills declined 24,373 tons. This decrease was apportioned as follows: Canadian mills, 20,552 tons; United States Mills, 1,710 tons, and Newfoundland mills, 2,111 tons.

The stock position of the Canadian mills at the end of last month was the best for any time since February, 1938. The American mills also were in a strong position, while the two Newfoundland mills' stocks were of average size.

Help Maintain Balance

Mill stocks have assumed a little more than ordinary importance in the past few months. There are slight signs of some accumulation by the American publishers. An increase in mill stocks, therefore, would contribute to the development of a long position which might weaken the market position. However the mills have watched the situation closely, keeping production somewhat below demand, with the result that overall stocks are kept in greater control.

Compared with a year ago, Canadian mills have reduced their stocks by some 33,000 tons; United States mills by almost half, while the Newfoundland mills have managed to effect a slight reduction, making for an aggregate decline of over 41,000 tons.

Present Mill Stocks

The position of mill stocks at the end of last month, with comparative figures for a year ago, follow:

Stocks of Newsprint at Mills
(As at Nov. 30)

	1941 tons	1940 tons
Canada	142,030	175,931
Newfoundland	80,722	81,325
United States	9,904	16,655
Total	232,656	273,911

U. S. Cellulose Output On Increased Scale

From Our Own Correspondent

MONTREAL. — Both production and shipments of cellulose plastic products in the United States increased during October, according to the U. S. Department of Commerce. Production of nitro-cellulose sheets, rods and tubes amounted to 1,521,311 lb., an increase of 2.9% compared with September, 1941, and a 38.8% increase compared with October, 1940, production.

Production of cellulose acetate sheets, rods and tubes in October totalled 630,357 lb., an increase of 7.7% compared with September.

The October, 1941, production of cellulose acetate molding composition amounted to 3,439,206 lb. This was the largest monthly production recorded, being 15% greater than the previous month and 78.6% over the output for October, 1940.

Abitibi Sale On Feb. 18

Feb. 18, 1942, has been set for the judicial sale of the assets of Abitibi Power & Paper Co. The Feb. 18 sale is to be subject to a reserve bid although it had originally been requested as a sale without reserve bid. The reserve bid will be set by the Master of the Ontario Supreme Court and will not be made public.

Setting of the date for the sale does not interfere with the action seeking leave to appeal from Mr. Justice Middleton's decision. The liquidator has already sought leave to enter an appeal against **the sale order.**

Photo: Blank-Stoller.

PAPER CO-ORDINATOR

Wilbert H. Howard, of the Montreal legal firm of Montgomery, McMichael, Howard & Common, who has been appointed co-ordinator of administrators of pulp and paper products, Wartime Prices and Trade Board.

Bathurst Profits On Larger Scale

From Our Own Correspondent

MONTREAL.—Net profits of Bathurst Power & Paper Co. for the nine months ended Sept. 30 last, subject to audit year-end adjustments and after provision for depreciation and all taxes, are estimated at $702,858. This was equivalent to $1.75 a share on the outstanding class A stock. Earnings on the like basis during the first half of this year were estimated at $406,637, equal to $1.01 on the A stock.

During the whole of the company's fiscal year ended Dec. 31, 1940, net profit was $786,742, or $1.96 a share on the A stock.

The company further reports that the mill is currently operating in excess of its rated productive capacity.

Sherwin Paints Resumes Dividend

Common Stock Put on a Paying Basis After 10-year Lapse

From Our Own Correspondent

MONTREAL.—After a lapse of 10 years Sherwin-Williams Co. of Canada has resumed dividend payments on its common stock. Directors have declared an interim dividend of 15 cents a share, payable Feb. 1 to shareholders of record Jan. 15.

In announcing this at the annual meeting, George A. Martin, chairman of the board, said directors felt that, since arrears on the preferred had been cleared off, it was desirable that something be done for the common shareholders. It was essential, however, that the company conserve cash resources, he added, and expressed the hope shareholders would be content with the present payment until it would be possible to do something better.

Relatively large inventories carried by the company, said D. A. Whittaker, president, reflected the combination of the increased volume and the desire to accumulate large stocks in view of the possible raw material shortage. The company is now largely dependent on the United States for certain of its more important raw products, he added.

Southern Canada Power Income on Higher Scale

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. continues to report a small improvement in its operating income. During November gross earnings of $270,473 compared with $24,427 a year ago, while the surplus, after dividends, totalled $8,135, compared with $3,582 in November, 1940.

Cumulative returns for the first two months of the current fiscal year ended November show a gross income of $553,423 and the surplus after dividends of $14,969. For the like period of 1940 gross revenues amounted to $490,955 and the surplus $4,629.

Traffic League Protests Pending Rate Increase

From Our Own Correspondent

MONTREAL.—Formal protest has been lodged by the Canadian Industrial Traffic League with the Wartime Prices and Trade Board against prospective adjustments of railway freight rates as being in violation of the price control. The railways have already advised of their intention to discontinue certain competitive rates and increase others.

The question at issue is largely one of technical interpretation of routine seasonal changes in rates, involving charges for transport of certain products over particular routes, which in the past have been reduced during the good weather period from spring to fall, to meet competition from operators of trucks and lake-river steamship services. Previously the lower rates have been put in force only for specified periods and usually restored to normal or "winter" levels around the end of November.

Violate Price Policy

The issue now raised by the Traffic League, which is a Canadian-wide organization of 400 manufacturers, business firms and other shippers using transport facilities in the Dominion, is whether such rates can now be raised by the railways without violating the price ceiling, which seeks to hold all prices and rates at the maximum charge during the "basic period" of September 15 to October 11.

In addition, the League claims the railways in some cases are seeking to raise seasonal competitive rates which for several years have been continued through the winter in areas where highway truck routes were kept clear the year round.

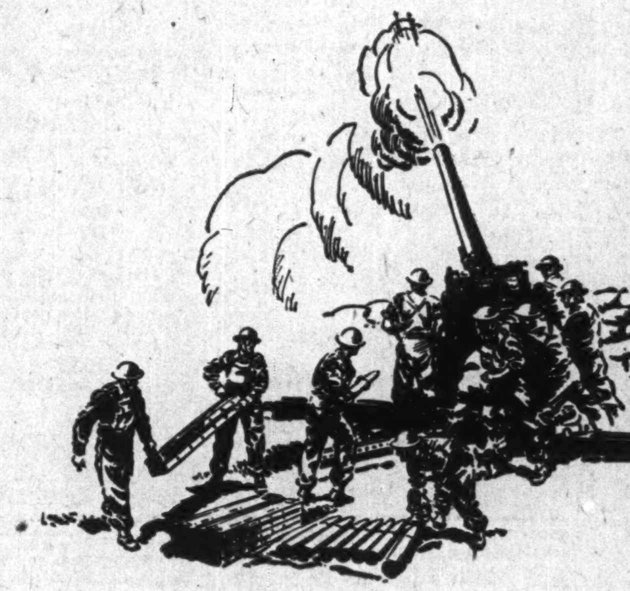
In this and other categories, it is claimed, the net effect will be to increase rates to manufacturers and other shippers, and thus add to the gross costs of delivering goods, if not to prices.

Wartime Prices and Trade Board has ruled that the highest express rate to be charged for shipments by rail will be those prevailing under the normal rate structure established under jurisdiction of the Board of Transport Commissioners. However, the Board ruled that special rates to meet competitive rates for waterborne traffic and trucks will continue to apply in the same circumstances. This means some arrangements normally expiring Nov. 30 will not apply during the winter season, but will be re-established in the spring.

Bell Telephone Issues Stock to Employees

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada reports an additional 673 shares have been issued under terms of the Employees Stock Plan, bringing the total issued capital to 832,492 shares.



PAPER ON THE FRONT LINE

NATIONAL SALVAGE CAMPAIGN

By encouraging the salvaging of old books, newspapers, bills and other documents, Canadians can reinforce the firing power of the Navy, the Army and the Air Force and thereby contribute to Canada's war effort.

WHAT ONE TON WILL PRODUCE

One ton of paper will produce material for any of the following:

- 1,500 shell containers
- 47,000 boxes for small arms ammunition
- 9,000 shell fuse component parts
- 3,000 boxes for aero cannon shells
- 1,000 packing cases for two pounder shells

and these are only a few of the essential war products in which paper plays a part.

OTHER WAYS YOU CAN HELP

While the pulp and paper industry is daily setting new production records to cope with wartime demands, this is not enough. You can help by—

1—limiting non-essential uses of paper and paper products
2—using other grades than in peace time
3—keeping to standard grades and colours, and
4—eliminating waste . . . today and every day.

THE PULP AND PAPER
INDUSTRY OF CANADA
672 SUN LIFE BUILDING MONTREAL

THE FINANCIAL POST

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING DECEMBER 15

A

Range 1941 High	Low	Div Dec13 R'te $	Y'ld %		Sales	Last Dec. 8	Week end. Dec. 15 H	L	Cl'se
1.15	.50	.	...	Abitibi	3050	.65	.65	.60	.65
9½	4	.	...	Do. pref. 6%	3432	6½	7½	6	7
15	8	.	...	Do. pref. 7%	....	(7 bid — asked)			
3	1	.	...	Acme Glove	....	(2½ bid — asked)			
60	50	6.50	11.2	Do. pref.	....	(56½ bid — asked)			
14	11½	80+20c	7½	Agnew Surp.	85	13½	13	13	13
108	105	7	6.6	Do. pref.	....	(108½ bid — asked)			
1.50	.75	.	...	Alta. Pac. Gr.	5	1.00	1.00	1.00	1.00
33	24½	.	...	Do. pref.	6	26	26½	26½	26½
10½	7	.	...	Algoma Steel	1709	8½	9	7	9
97½	83	5	5.9	Do. pref.	....	(82 bid 92 asked)			
115	95	8+2	9.5	Aluminium	624	100	105	98	105
120	115	6	5.2	Do. pref.	....	(115 bid — asked)			
8½	5½	25c	...	Amal. Electric	50	8½	8½	8½	8½
37	37	60cb	1.6	Amer. Cyn. B.	....	(33 bid — asked)			
46½	44	2.75	5.9	Ang. Can. T. P	....	(— bid 45 asked)			
19½	14½	60+60c	6.9	Asbestos	452	17	17½	16½	17½
18½	14½	1.75	10.3	Assoc. Brew.	50	17½	17½	17	17
111	108½	7	6.3	Do. pref.	....	(109½ bid — asked)			
1	1			Assoc. T & T.A.	....	(— bid — asked)			
124	24	96c		Do. pref.	....	(— bid 24 asked)			
†103	101	5.50	5.3	Ault & Wiborg	....	(102 bid — asked)			

B

Range 1941 High	Low	Div Dec13 R'te $	Y'ld %		Sales	Last Dec. 8	Week end. Dec. 15 H	L	Cl'se
147	140	8	5.6	Bk. Can. Nat.	9	143	143	143	143
195	171	8	4.3	Bk. Montreal	60	186½	188	185	186
285	267	12	4.4	Bk. N. Scotia	37	280	274	270	270
255	240	10	3.9	Bk. Toronto	7	255	252	250	252
8½	8½	.	...	Barber Ellis	....	(7 bid — asked)			
•5	4½	.	...	Barcelona	....	(— bid — asked)			
1.25	.25	.	...	Barker's Bread	....	(.35 bid — asked)			
22	16	.	...	Do. pref.	....	(14 bid 16 asked)			
14½	10	1+25c	8.9	Bathurst Pr.	962	14½	14½	12¾	14½
3	1	.	...	Do. (B)	126	2½	2	1	2
4	2	.	...	Beath & Sons	....	(4 bid 4½ asked)			
9	4½	.	...	Beatty Bros.	....	(8 bid 8½ asked)			
102¾	92	6	5.9	Do. pref.	....	(101 bid — asked)			
90	88	7	7.8	Do. 2nd pref.	....	(82 bid — asked)			
11	6½	.	...	Beauharnois	572	9½	9½	9½	9½
80	80	4	5	Belding Cort.	....	(80 bid — asked)			
128	124	7	5.6	Do. pref.	....	(123½ bid — asked)			
160½	137	8	5.3	Bell Telephone	1435	150	151	149½	150
6½	5	30c	4.6	Bertram & Sons	....	(6½ bid — asked)			
8½	7	60c	8	Biltmore Hats	....	(7½ bid 7½ asked)			
6	3	.	...	Blue Ribbon	500	03	03	03	03
37½	30	2.50	7.8	Do. pref.	....	(32¾ bid 32¾ asked)			
10	9½	80c	6.3	Blue Top Br. A	....	(10 bid 11 asked)			
8½	7	.	...	Do. (B)	....	(8 bid 11½ asked)			
22	19	1.30	6.2	Brant. Cord. pf.	....	(21 bid 23½ asked)			
8½	5	40c	...	Brazilian Tr.	2322	6½	7	6½	6¾
7	2½	50+10c	...	Brew. & Distil.	66	5½	5½	5½	5½
6½	6½	30c	4.6	Bright, T. G.	....	(6½ bid — asked)			
90	90	6	6.7	Do. pref.	....	(89½ bid — asked)			
18½	15	1	5.9	Brit. Amer. Oil	2466	17	17½	16½	16¾
16	9½	.	...	B. C. Packers	361	13½	13½	13	13½
26½	21½	2	9.2	B. C. Power A.	355	23¾	23	21½	21½
2	1	.	...	Do. (B)	....	(— bid 2 asked)			
6½	4½	.	...	Bruck S. Mills	80	5	4½	4½	4½
15½	11½	70+10c	6	Building Prod.	485	13	13½	13½	13½
10½	7½	60c	7.5	Burlington St'l	210	8	8	7¾	8

C

Range 1941 High	Low	Div Dec13 R'te $	Y'ld %		Sales	Last Dec. 8	Week end. Dec. 15 H	L	Cl'se
				Calgary Power	....	(— bid — asked)			
170	70	6	5.9	Do. pref.	20	101½	101	101	101
103	98½			Canada Bread	65	3	2½	2½	2½

F, G (continued)

Range 1941 High	Low	Div Dec13 R'te $	Y'ld %		Sales	Last Dec. 8	Week end. Dec. 15 H	L	Cl'se
.15	.15	.	...	For. Pr. Secs.	....	(— bid .25 asked)			
16½	10½	1+25c	8.3	Foundation Co.	500	15½	15½	14½	15½
14	4½	.	...	Fraser Cos.	55	13½	12½	12½	12½
14	5½	.	...	Do. Vot. Tr.	1843	13	13	12	12½
.50	.50		...	Freiman	....	(.50 bid — asked)			
55	41	‡3	...	Do. pref.	....	(50 bid — asked)			
9¾	5½	‡55c	...	Gatineau Pwr.	665	5½	5½	4½	5½
90	69	5	6.8	Do. pref.	45	75	76	71	72
95½	76	5.50	6.9	Do. 5½% pref.	40	77	79½	79½	79½
1.25	.15			Do. Rights	30	.25	.25	.23	.25
7½	4½	50c	...	Gen. St. Wares	2310	6½	7	5½	7
94	86	7+27c	...	Do. pref.	200	91	90½	90	90
80	66	2.50+1.50	6	Goodyear T.	100	75	75	67	67
56	52½	2.50	4.6	Do. pref.	826	54½	54½	52½	52½
67	67	‡7	..	Gould Pumps	....	(— bid — asked)			
4	2½		...	Gt. Lakes Pap.	....	(1½ bid 3½ asked)			
16	16	1.50	...	Do. pref.	....	(14½ bid 17 asked)			
3¾	1½		...	Do. Vot. tr. c.	12	2½	2½	2¾	2½
19½	12	1.50	...	Do. Vot. tr. p	....	(— bid 17½ asked)			
5½	1½		...	Gt. W. Saddlery	....	(— bid 5½ asked)			
31	25	‡5.25	...	Do. pref.	20	30	31	31	31
11½	9	60c	5.4	Greening Wire	100	9	11	11	11
†1.25	1.25	10c	...	Growers' Wine	....	(— bid — asked)			
4½	2½	.	...	Gurd, Chas.	140	2½	2½	2½	2½
†107½	106½	.	...	Do. pref.	....	(— bid 90 asked)			
4½	2	.	...	Gypsum, Lime.	1020	3½	3½	3½	3½

Quotations: § 1940. • 1939. • 1938.

▲ On account of arrears. ‡ Paid or payable in 1941 to date.

■ Participating.

• Paid in 1941 after corporate income tax.

† Payable 25c Dec. 18, 1941; 25c June 18, 1942.

b Plus $1.25 payable in new 5% pref. stock.

Mining Stocks

Week Ending December 15

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Dec. 17, 1941

%	Due	Bid	Ask.	Approx. Yld.
Dominion of Canada Bonds				
1½	May '42	100¼	100⅜	...
2	June '42	100¼	101	..
3	Oct. '42	101⅜	102½	.45
2½	June '43	101¼	102	1.11
5	Oct. '43	105	106¼	1.53
2	June '44	100⅜	101¼	1.48
a2½	Jan. '44	97⅞	98⅜	‡3.12
4½	Oct. '44	107	107⅞	1.69
2½	Nov. '44	101⅜	102½	1.62
a2½	Aug. '45	97⅞	98⅞‡	3.00
a4	Oct. '45	103⅞	104½	b1.50
2	Mar. '45	100¼	101	1.68
2	Dec. '46	98⅞	99¼	2.16
4½	Feb. '46	109	109⅞	2.02
3½	June '49	102⅞	103½	b2.42
3½	Oct. '49	102½	103¼	b2.31
3½	Nov. '51	101⅜	102	b2.93
3½	Feb. '52	101⅜	102½	3.00
a5	May '52	100¼	‡100⅜	b2.93
4	Oct. '52	105⅞	106½	b2.83
3	June '51	99½	100	3.09
3	Oct. '52	99	99⅞	3.04
3	June '55	99½	99⅞	3.01
4½	Nov. '56	106⅞	107½	b2.85
4½	Nov. '57	107¼	108¼	b2.97
3	June '58	99	99⅞	3.03
4½	Nov. '58	108⅞	109	b3.05
4½	Nov. '59	109½	110	b3.07
a4	Oct. '60	103½	‡104½	b3.44
a3½	Jan. '61	97	97⅞‡	3.43
3½	June '66	101¼	101⅞	b3.08
a3e	Jan. '67	93½	94½‡	3.34
a3e	Nov. '68	93½	94½‡	3.32
†3	Perpet'l.	94⅞	95½	3.14
Dominion Guarant'd Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	100¼	101¼	.92
2½	Jan. '46	100¼	101¼	1.93
3	May '44	102¼	103¼	1.51
3	Dec. '50	99	100	3.00
3	Feb. '53	98½	99½	3.08
3	Jan. '59	98½	99	3.08
*4½	Sept. '51	115½	116½	2.61
*4½	Feb. '56	116½	117½	2.98
4½	July '57	116⅛	117¼	3.05
4½	June '55	118	119½	2.98
5	Feb. '54	117	118⅛	3.16
*5e	July '69	114½	116	b.67
*5e	Oct. '69	119	121	b2.60
*5e	Feb. '70	119	121	b2.67
Grand Trunk Pacific Rly.:				
3	Jan. '62	100⅜	102	2.87
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	91	93	3.85
3½	Aug. '49	93½	95½	3.93
3½	June '56	92	95	3.96
c4	Nov. '47	99½	102	b3.45
c4½	Apr. '61	103	105	4.12
c5	Jan. '60	109	112	4.05
Nova Scotia:				
3	Jan. '52	95½	97½	3.29
3½	June '56	96	98	3.42
3½	Nov. '50	99½	101½	3.30
c4½	Sept. '52	106	108	b2.97
c4½	Nov. '60	111	113	3.55
c5	Mar. '60	117½	119½	3.54
Ontario:				
2½	May '45	100	101	2.20
3	Apr. '48	99½	100½	b2.88
3	Nov. '50	99	100	3.00
3½	Nov. '51	100	101	b3.10
3½	May '55	100	101	b3.14
*4	June '62	108	110½	3.29
*4½	June '51	108½	109½	3.22
*4½	Jan. '62	115	117	3.33
5	Oct. '48	110½	111½	3.07
*5	Dec. '60	121	123	3.35
5½	July '46	110½	111½	2.86
Ont. Hydro Commission:				
3	Aug. '48	99½	100¼	b2.88
3½	Feb. '53	99⅞	100⅞	b3.15
3½	Apr. '47	102	103	2.89
Prince Edward Island:				
4	Mar. '54	100	102	3.80
Quebec:				
3	Nov. '47	97½	99	3.20
3½	Mar. '48	97½	99½	3.34
3½	Mar. '59	96½	98	3.63
4	Nov. '52	101½	103	b3.60
3½	Feb. '55	99½	101	b3.45
4½	Aug. '58	103	105	3.85
4½	Jan. '63	107½	109½	3.84
Alberta:				
4	Dec. '54	57	60	d
4½	Oct. '51	67	..	d
4½	Oct. '56	60	63	d
*5	Oct. '59	64	67	d
c5½	Apr. '52	66	69	d
6	Mar. '47	70½	72½	d
British Columbia:				
c4	Dec. '57	100	102	3.83
*4½	Jan. '51	104	106	3.70
c4½	Oct. '53	104	106	3.87
c5	Apr. '54	109	111	3.88
5½	Feb. '45	104	106	3.48
6	Feb. '47	106	108	4.23
Manitoba:				
c4	Dec. '57	94	97	4.27
c4½	Dec. '56	97	100	4.50
*5	Dec. '59	99	102	4.83
5½	Oct. '55	100	103	5.20
6	Apr. '47	100	103	5.32
Saskatchewan:				
4	Sept. '54	77	80	6.27
4	Nov. '60	77	79	5.85
c4½	Oct. '51	87	90	5.96
c4½	Mar. '60	83½	86½	5.69
5	Aug. '58	87	90	5.98
5½	Oct. '52	91	94	6.28
6	Mar. '52	93	96	6.53

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds. ♦Calculated to 1950 average maturity.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Dec. 16, 1941

	Bid	Ask.
Industrials:		
Acme Farm., pf.	43	46
Andian National	29½	31½
Anglo C. Tel., A	7¾	8½
Atlas Steel	20	22½
Barrymore, pfd.	30	..
Brant. Roof.	1¾	..
B. C. Pulp, c.	10	12
Do., pfd.	60	70
B. C. Sugar	73	76
B. C. Tel., 1st p.	111	114
Brown, pfd.	32	33
Burns & Co., A	4½	5½
Do., B	2½	3½
Can. Co-op. Wl.	8	..
Can. Indust., A	165	..
Can. Ing. Rand	70	77
Can. Mot. L.A.B.	3½	..
Can. Tube, 1st p	82	..
Chase, A. W., p.	17½	19½
Claude Neon, p.	2½	3½
Colonial Steam.	33	36
Copeland Fl. un.	14½	16
Colonial Realty	2	..
Dunlop T. p. $25	22	23½
Easy Wash. p $10	10	11½
Galt Brass, c.	9½	..
Goderich Elev.	6½	7½
Guelph Carp., c.	18	20
Gurney Fdry., p.	1¾	1¾
Hayes Steel, c.	13¾	15
Hi'land Dairy, p	48	51½
Homewood San.	..	100
Inglis, John	3½	5
Ingram & Bell p	95	..
Kingst. Ship. un	35	36½
Do., com.	3	5½
Loblaw, Inc., c.	11	13
Minn.&Ont. P. c	4¾	5
M'row Screw, p.	104	105½
Do., com.	12½	..
Morrison Br. un	4	4½

	Bid	Ask.
Moirs, Ltd.	19	21½
N. B. Tel. c.	10	12
Neilson, Wm. p.	100	..
N. Meth. Ldy. p	56	59
Ont. Tobacco, p.	17½	19½
Pac. C. Term. c.	..	7½
Prov. Paper, pf.	100	102½
Quinte Milk	2½	3½
Ruddy, E. L., p.	20	24
Stand. Fuel, p.	52	56
Stedman, pf. $50	57	60
Sutton Horsley	1	1½
Tor. Carpet, c.	40	..
Do., pfd.	66	70
Un. F. Co-op.	2¾	3½
Un. Steel, A pf.	21½	23½
Viceroy Mfg., c.	12	..
Trusts & Loan Stocks:		
Brit. Mtge.	124	132
Brockville Tr.	42	..
Capital Tr.	29½	32½
Comm. Fin., c.	4	..
Grey&Br. Tr. $50	43	..
Guaranty Trust	100	103
Guelph & O. $50	50	53½
Indust. Mtge.	25	..
Lambton Loan	30	33
Midland Loan	14	16
Premier Trust	40	43
Sherbrooke Tr.	120	..
Sterling Trust	51	56
Th. Can. Inv. Tr.	1¾	..
Traders Fin. A c	6	8
Do., A pfd.	70	75
Trusts & Gr. new	37	41
Victoria Trust	71	75
Waterloo Trust	100	..
Insurance Stocks:		
Canada Life	360	375
Brit. Amer.	51	53
Canadian Fire	79	82

	Bid	Ask.
Confed. 30% pd.	125	138
Cons. Fire Cas.	3½	..
Continental L.	35	38
Crown, fully pd.	265	285
Dominion Fire	138	145
D. of Can. Gen.	115	120
Empire, 25% pd.	5	6
Excelsior 38% pd	70	74
Great-West Life	195	205
Federal, 25% pd.	51½	53
Halifax Fire	17	18½
Imperial Life	270	290
Manufac. Life	217	224
Monarch Life	33	35
National Life	..	19
Sov. L. 25% pd.	12½	..
Sun Life	280	300
Tor. General	4½	5
Wellington Fire	58	..
Western Assce.	43	..
Theatre Stocks:		
Allen's, St. Cath., units	53	..
Loew's London p	2¾	3¾
Mansf. Theat. p	27½	29½
Para., Kitch., p.	50	..
Do., Oshawa, c	8½	10
Investment Trust Shares:		
Can. Investors	5	6
Inv. Found. un.	43	44½
Sec's. Hold., pf.	18	20½
United Corp., A	20½	22½
Do., B	5½	7½
Power Issues:		
Can. W. N. Gas	25	..
Do., pfd.	102	..
Gt. Lakes Pr., p.	103	105
Int. Util. $1.75 p	14	..
Do., $3.50 pf.	34½	..
Mtl. Isl Pwr. p.	42½	..
Nor. Ont. Pr. p.	70	73

Unlisted Mines

Toronto, Dec. 16, 1941

	Bid	Ask
Albany R (old)	.03	.05
(new)	.08	.10
Amal K	.06	.06½
Anoki	..	.04
Aquarius	.15	.20
Arjon	.04	.05
Armistice	.06	.07
Argosy	.05	.08
Area	.03	.04
Athona (old)	..	.02
(new)	.00½	.02
Brock	.06	.08
Cald B	.02	.03
Can Rad	.06	.09
Cent M	.01½	.02½
Cheminis	.03½	.04
Coin L	.01½	.03
Cons Ch	.04	.06
Crosc't	.06	.08
Dayton	..	.01½
Delpine	.03	.08
Demp C	.01	.01½
De Santis (new)	..	.12
Dona P	.01	.01½

	Bid	Ask
E'ward	.06	.08
Elmos	.04	.07
Franco	.25	.30
Galore	.00½	.01½
G'drock	.16½	.18½
Gilbec	.00½	.01
Hayes C	.03½	.04½
Hoyle n	.12	.14
Hugh P	.02½	.05
Hutch	.01	.02
Keora	.01	.02
Kewag'a	.01	.03
Kiena	.01	.03
Kirk G	..	.01½
Kirk T	.07	.08½
Lacoma	.00½	.01
Laguerre	.18	.20
L Duf't	.16	.17
L Gen	.07	.11
Largold	.20	.23
Low P	.14	..
Lunw'd	.15	.17
Mag Co	.58	.63
Mag L	.12	..
Marbe'r	.20	.22
Mart B	.01½	.02½
Masc M	.17	.19

	Bid	Ask
Mat C	.02½	.03½
Mat Co	.18	.21
McMar	.23	.26
Moffat H (new)	.01	.02
Mooshla	.01	.03
Mosher	.07	.08½
McMan	.01½	.02½
Nat Mal	.28	.31
New Aug	.23	.25
Nick O	.70	.85
Norbeau	.15	.23
Northland (1940)	.03	.05
Norwin	.01	.03
New Mel	..	.17
Newbec	..	.02
New Rib	.00½	.01
Nu'lake	.10	.15
O'klend	.03	.04
O'Lea M	.03	.04
Opemi'a	.04	.08
Orpit	.06	.07
Orsian	..	.01
Pascalis	.22½	.25
Pontiac R (old)	.01½	.04

	Bid	Ask
Pelangio	.01	.02½
Polaris	.01	.05
Propri'y	4.10	4.25
Presdor	.02½	.03½
Queb M	.15	.17
Rahn L	.00¾	.01½
Rand M	.12	.13
Red L G	..	.01½
Ritoria	.01½	.02½
Rouge	.03	.06
S.A.G.A.	0.80	1.00
Sachigo	4.00	4.25
Senore	.01½	.03
Sepha	.16	.18
Shenango (new)	..	.16
Sheldon	.05	.06
Skyn L	.01½	.02½
Smelt G	..	.01
Springer	.16	.18
Stadac'a	..	.10
Thomson	.10	.12
Tobico	..	.06
Union M	.02½	.03½
Wesley	.01½	.05
Y David	.22	.25

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Dec. 16, 1941

Public Utility Issues:	Int. Rate %	Due	Bid Dec 16	Asked Dec 16	Bid Dec. 9
▲†Alg. C. H.B.R.	5	'59	9½	11½	9½
†Assoc. Tel. & T.	5½	'55	66½	69½	70
B. C. Power	4½	'60	99	101	100½
B. C. Tel.	4½	'61	105½	107½	105½
†Calgary Pwr.	5	'60	105	107	105½
Do.	5	'64	103	105	103
†Can. Nor. Pwr.	5	'53	101½	103½	102
*Dom. Gas & El.	6½	'45	99½	102½	103
Gatineau Pwr.	5	'49	100½	102½	100
*Do., A	3¾	'69	101	103	101
♦Do., B	3¾	'69	100	102	100
Gt. Lakes Pwr.	4½	'56	101	103	101½
Do.	5	'57	96	99	96½
*Int. Hydro-El.	6	'44	35	38	36
▲Inter. Power	6	'55	101	...	101½
L. St. Law. Pwr.	5	'55	100	102	100
Macl'n-Que. Pr.	4	'59	100	102	100
Mtl. L. H. & Pr.	3½	'56	104	106	104
Do.	3½	'73	102	104	102
Do.	3½	'63	103½	105½	103
†Mtl. Tramways	5	'41	99	101	97½
†Do.	5½	'55	75	78	72
Nat. Lt. & Pwr.	6	'49	101½	103½	101½
N. S. Lt. Pr.	4	'57	102	104	102
Ottawa L.H.&P.	4	'57	102	104	102
Ottawa V. Pwr.	5	'59	101½	103½	101½
†Power Corp.	4½	'59	93½	96½	94
Quebec Pwr.	4	'62	103	105	103
*Saguenay P.	4½	'66	107	...	107
♦Do., B	4½	'66	105½	...	105½
St. Maurice Pr.	4½	'70	103	105	103
Shaw. W. & Pr.	4	'61	103	105	103
Do.	4	'69	103	105	103
Union Gas	4½	'50	102½	...	102½
*Twin C. R. Tr.	5½	'52	69	72	71
†United Secs.	5½	'52	47	50	47
‡Wpg. El. ser. A.	5	'65	80	83	81
Do., B	5	'65	66	69	66
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	74½	77½	74½
Do., C.O.D.	5	'53	74½	77½	74½
Acadia Sugar	4½	'55	[illegible]	103½	101½
Do.	6	'54	98	101	98
†Alta. Pa. Grain	6	'46	103½	105½	103½
Algoma Steel	5	'48	102	105	102½
Atlantic Sugar	4	'31	101	103	101
†B. C. Pulp & P.	6	'50	94	97	94½
‡†Do.	7	'50	115	...	117
*Brown Co.	5½	'46	71	74	71
Burns & Co.	5	'58	72½	75½	73½
Canada Cement	4½	'51	103	105	104
Canada Electric	4½	'65	96½	98½	96½
Can. Paper	4½	'52	101½	...	101½
Can. Steamships	5	'57	100½	102½	100½
Can. Canners	4	'51	101½	103½	102
*Can. Int. Paper	6	'49	104½	106½	105
‡Can. Locomotive	6	'53	98½	101½	97½
‡†Candn. Vickers	6	'47	90	93	94
C. P. R.	3½	'51	95½	97½	95½
Do.	4	'48	99½	101½	99
Do.	6	'42	100½	102½	100½
Col. Steamships	6	'54	100½	102½	100½
†Consol. Paper	5½	'61	78½	81½	77
Dom. Coal	4	'52	101	104	102
Dom. Scott. Inv.	4	'52	97½	100½	97
Dom. Stl. & C.	6½	'55	103	106	103½
Dom. Tar	4½	'51	102	104	102½
Dom. Woollens	6	'53	96½	99½	96
†Donnacona Pap.	4½	'56	78½	81½	79
*Dryden Pap.	6	'49	101	...	101
†East. Dairies	6	'49	79	82	..
Famous Players	4½	'51	98	101	99
†Federal Grain	6	'49	102	...	102
†Fraser Cos.	6	'50	102	...	102
Galt Brass	5	'50	92	...	92
Gen. Stl. Wares	4½	'52	100⅝	102½	100½
*Gt. L. Paper	5	'55	93	96	94½
*Gurney Fdry.	5½	'49	87	90	88½
†Gypsum Lime	5½	'48	102	105	103
Ham. By-Pr. C.	5	'55	102	104	102
Do.	6	'56	100	103	100
Ham. Cotton	4½	'50	100½	102½	100½
Inter-City Bak.	5½	'48	102	104	102
Indust. Accept.	4	'52	78½	81½	79
Ins. Ex. Bldg.	3	'51	44	47	44
*Inter. P. Nfld.	4½	'68	98	...	90½
*Inv. Bond & Sh.	5	'47	44	47	44
†Kingston Elev.	6	'50	105	107	105
Lake St. J. P.	5½	'61	91	94	92
Do.	5	'61	72	75	71
Legare	6	'61	90	93	89
Maple L. M.	3	'58	78	81	79½
Man. Sugar	5	'60	100	103	101
Massey-Harris	4½	'54	93½	96½	94½
McColl-Fron.	4½	'49	102	104	102
McCormicks	4	'32	95½	98½	96
Do.	4½	'52	103½	105½	104
Mercury Mills	5	'59	93½	96½	94½
Mersey Paper	5	'57	97½	100½	98
†Do.	6	'40	99½	...	99½

Supplementary Stock Quotations

Dec. 16, 1941

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Miscellaneous Stocks:	Bid Dec. 16	Asked Dec. 16	Bid Dec. 9
†Allens Tor. Th., p.	32½	35	32
Atlas Steels, 7% pfd.	105	106	104½
Brinton Peterboro Cpt.	39½	..	39
Brown Co., new com.	1.85	2.05	1¾
Can. Col. Airways	2¾	3½	2½
*Can. Gen. Rubber, pfd.	22	26½	23
Can. Mach., new c.	7¾	..	7½
C.P.R. 4% pfd. (£ par)	2	2.65	2
Cap. Wirecloth, p.	19	22½	20
Cawthra Apts., pfd.	2	2.65	2
Comm. Life, 10% pd.	6½	7½	6
Corrug. Paperbox, c.	1	..	.85
Dom. Alloy & Steel, c.	.15	.40	.10
Do., pfd.	.15	.40	.10
Dom. Life, 70% pd.	171	190	170
Dover Industries	6½	7	6
Eastern Steel, pfd.	20	21	19¾
†Fort W., Hotel, units	45	49	45
Imperial Varnish, c.	8.85	9.75	9
Indust. Accept., 5% p.	70	74	70
London & West. Trusts	34	36	34
*Monarch Mtge. Inv. un.	.30	.50	.35
Mount Royal, new com.	3.10	3.75	3
Murphy Paint, com.	9	9½	9
Do., pfd.	88	90½	88
Nat. Hosiery, pfd.	.65	.85	.70
Do., pfd.	.85	1.10	.85
†N. Amer. Elevator, p.	71	..	75
St. John Dry D., p.	99	101½	99½
Seal-o-Sac	.80	1.00	.75
Tip Top Tailors Inc., un.	13	14¾	12¾
Traders Finance rts.	12	14	12
Viceroy Mfg., 6% pfd.	24	25½	24½
Waterloo Mfg., new c.	.70	1.00	.65
Wentworth Radio, p.	2½	3½	2½
West Can. Hydro, p.	10½	11½	10
West. Life, 10% pd.	9	10	8¾

*Issue carries arrears.

‡Currently paying on arrears.

Corporation Bonds (Cont'd)

	Int. Rate %	Due	Bid Dec 16	Asked Dec 16	Bid Dec. 9
*M. & O. Paper	5	'60	95	98	95
Moirs Ltd.	6	'53	90	93	89
‡Mtrl. Drydocks	6	'48	87	90	89½
Montreal Apts.	4	'54	52½	55½	54½
Nat. Grocers	4	'47	101½	...	101½
N. S. Stl. Coal	3½	'63	83	86	83
Price Bros.	5	'57	98½	101½	98½
Do.	4	'57	86	89	87
*Prov. Paper	5½	'47	104½	...	104½
Reliance Grain	4½	'52	96	99	96
†Restigouche Co.	6	'48	101½	103½	101½
Rolland Paper	4½	'51	102½	104½	102½
Ruddy, E. L.	6½	'48	101½	103½	101½
Silv. Dairies	6	'66	93	96	93
Simpsons, Ltd.	4½	'51	102	104	103
Smith, Howard	4½	'51	104	106	104
Stand. Lime	6	'44	97½	...	97½
Sterling Coal	6	'45	99½	101½	99½
Stop Shop	3	'47	57	61	58
United Corp.	5	'53	93	96	93
*United Gas	5½	'48	104½	107½	104½
United Gr. Grs.	5	'48	99	102	99
†Western Grain	6	'49	66	69	68

*Payable in Can. or U.S.

†Payable in Can., U.S. or U.K.

*Payable in U.S.

♦Payable in Canada only.

▲Payable in Can. or U.K.

‡Traded without accrued interest.

Municipal Bonds

Dec. 16, 1941

	%	Due	Bid	Ask	Yld. %
†Halifax	5	1961	114.00	116.00	3.83
Hamilton	5	1950	109.25	112.25	3.35
Montreal	5	1945	92.00	94.00	7.10
Ottawa	4½	1945	104.65	107.15	2.30
†Quebec	5	1959	106.00	108.00	4.35
Saint John	5	1950	103.00	105.00	4.22
†Toronto	4½	1955	110.00	113.50	3.25
†Vancouver	5	1950	103.00	107.00	3.98
Winnipeg	5	1944	102.00	104.00	3.61

†Payable Can. & N.Y.

Investment Trusts

	Bid	Asked
Affiliated Funds	2.06	2.26
Can. Amer. Trust	3.00	3.35
Can. Inter. Trust	3.75	4.30
Can. Invest. Fund	3.10	3.45
Corporate Investors	5.61	6.06
Trans-Canada	9.75	10.35

Winnipeg Stocks

(Transactions from Dec. 8 to Dec. 13)

	Sales	High for period	Low for period	Close Dec. 13
Beaver Lumber, com.	300	3.00	3.00	3.00
Canadian Fire Ins.	100	80.00	79.00	79.00
Central Manitoba	500	.02½	.02½	.02½
Western Breweries	5	2.25	2.25	2.25
Western Steel Prod.	182	9.25	9.00	9.25

Stocks Not Traded in During Week*

	Bid	Asked
Beaver Fire	75	..
Beav. Lumber, p	103	..
Can. Indemnity	150	..
Can. Airways	1	..
Corr. P. Box	60	..
Cres. Cream., p.	..	15
Dom. Envel., c.	8¼	9½
Do., pref.	99	100

	Bid	Asked
Fed. Grain, c.	.35	1.25
Do., pref.	..	38
Grouped Inc.	..	4⅝
Home Invest.	16⅛	..
Nor. C. Mtge. un	5⅛	..
Nor. Mtg. pt. pd.	1	..
Nor. Trusts	7	7½
Traders Bldg.	44	..
West. Grain, p.	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

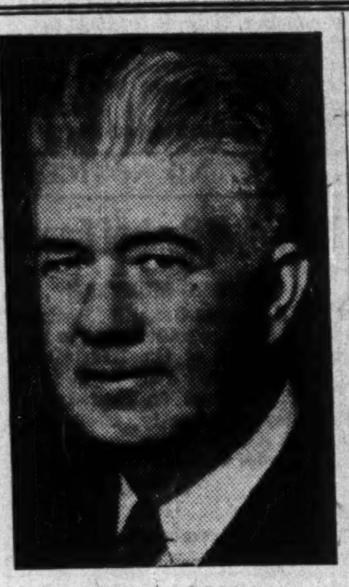
	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 16	9,700	4,000	157,000	......
Dec. 15	7,100	7,800	102,000	10,025
Dec. 13	4,900	5,800	80,000	23,150
Dec. 12	7,000	22,000	198,000	19,800
Dec. 11	9,800	3,200	210,000	24,745
Dec. 10	20,100	22,700	325,000	11,188

Annual Meetings

Company	Place
Dec. —Harding Carpets	Brantford
Dec. —MacL.-Cockshutt Gold	Toronto
Dec. —North. Canada Mines	Toronto
Jan. —Provincial Bank	Montreal
Jan. —Royal Bank	Montreal
Jan. —Central Man. Mines	Winnipeg

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, p.	$1.75	Jan. 2	Dec. 15
Anglo Can. Oil	2c	Dec. 20	Dec. 4
Algoma Steel, pf.	$2.50	Jan 1	Dec. 15
Asbestos Corp.	15c	Dec. 31	Dec. 1
Do., bonus	15c	Dec. 31	Dec. 1
Amer. Cyan., A, B	†15c	Jan. 2	Dec. 12
Do., pref.	†12½c	Jan. 2	Dec. 12
Amal. Elec.	25c	Jan. 2	Dec. 15
Argus Interests	4c	Jan. 22	Jan. 3
Assoc. Brew., c.	$1	Dec. 22	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Acme Glove, pfd.	$3.25	Jan. 2	Dec. 18
Bk. of Nova Scotia	$3	Jan. 2	Dec. 16
Biltmore Hats	15c	Jan. 2	Dec. 31
Borden	†50c	Dec. 20	Dec. 8
Beatty Bros., 2nd p.	$3.50	Jan. 2	Dec. 15
Bell Telephone	$2	Jan. 15	Dec. 23
Blue Top Brew., A	30c	Dec. 31	Dec. 15
Beattie Gold	4c	Dec. 20	Nov. 25
Brazilian Tr., ord.	40c	Dec. 22	Oct. 15
B. C. Power, A	50c	Jan. 15	Dec. 31
Brazilian Tr., pfd.	$1.50	Jan. 2	Dec. 15
B. C. Elec. Pr. Gas p	$1.50	Jan. 2	Dec. 20
Burlington Steel	15c	Jan. 2	Dec. 15
Building-Cert.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Bulolo Gold	$1.50	Dec. 23	Dec. 5
B. C. Elec., pref.	$1.50	Jan. 2	Dec. 20
B. A. Oil	25c	Jan. 2	Dec. 8
Bralorne Mines	20c	Jan. 15	Dec. 31
Do., extra	10c	Jan. 15	Dec. 31
Brant. Cordage 1st p	32½c	Jan. 15	Dec. 20
Brit. Mtge. & Tr.	$4	Jan. 2	Dec. 15
Brockville Trust	62½c	Jan. 2	Dec. 20
Do., extra	37½c	Jan. 2	Dec. 20
Building Prod.	17½c	Jan. 2	Dec. 19
Do., extra	10c	Jan. 2	Dec. 19
Canada Bread, pfd.	$1.50	Jan. 2	Dec. 22
Do., 2nd pref.	62½c	Jan. 2	Dec. 22
Can. Machinery, c.	50c	Dec. 20	Dec. 10
Can. Light & Pr.	50c	Jan. 15	Dec. 26
Canadian Car, p.	44c	Jan. 10	Dec. 20
Can. Pac. Rly. pfd.	2%	Feb. 1	Jan. 1
Chartered Trust	$1	Jan. 2	Dec. 15
Consumers' Gas	$2	Jan. 2	Dec. 15
Carnation Co., pfd.	†$1.25	Jan. 2	Dec. 13
Canada Cycle	30c	Jan. 2	Dec. 10
Do., extra	20c	Jan. 2	Dec. 10
Do., pref.	$1.25	Dec. 26	Dec. 10
Can. Nor. Pwr.	▪15c	Jan. 28	Dec. 31
Do., pref.	▪$1.75	Jan. 15	Dec. 31
Can. Wire. Box, A	37½c	Jan. 2	Dec. 15
Do., extra	12½c	Jan. 2	Dec. 15
Can. Celanese	25c	Dec. 31	Dec. 16
Do., extra	50c	Dec. 31	Dec. 16
Do., pref.	$1.75	Dec. 31	Dec. 16
Crn. Bakeries, pfd.	$2.50	Jan. 15	Jan. 3
Canadian Oil, pfd.	$2	Jan. 2	Dec. 20
Can. Indust., A, B	$1.50	Dec. 26	Dec. 19
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Tube & Steel, p.	$2	Dec. 31	Dec. 24
Command Oils	2c	Jan. 30	Jan. 10
Can. West'ghouse	▪50c	Jan. 1	Dec. 16
Canadian Fire	$2	Jan. 2	Dec. 20
Can. Indemnity	$3	Jan. 2	Dec. 20
Do., extra	$2	Jan. 2	Dec. 20
Canada Packers	$1	Jan. 2	Dec. 15
Can. Perm. Mtge.	$2	Jan. 2	Dec. 15
Can. South. Rly.	$1.50	Feb. 2	Dec. 22
Can. Bk. of Comm.	$2	Feb. 2	Dec. 31
Can. Breweries, p.	75c	Jan. 2	Dec. 15
Can. Gen. Elec.	$2	Jan. 2	Dec. 13
Can. For. Inv., pfd.	$2	Jan. 1	Nov. 15
Cariboo Gold	4c	Jan. 2	Dec. 3
Do., bonus	1c	Jan. 2	Dec. 3
Cel. of Amer. pfd.	†$1.75	Jan. 1/42	Dec. 16
Do., part. pfd.	†$3.50	Dec. 31	Dec. 16
Cent. Pat. Gold	4c+1c	Jan. 2	Dec. 15
Chesterville L. L.	5c	Dec. 30	Dec. 15
Canada Cement, pf.	$2.75	Dec. 20	Nov. 30
Can. Malartic G.	2c	Dec. 20	Nov. 29
Cochenour W.	3c	Dec. 20	Dec. 1
Cockshutt Plow	25c	June 18	June 4
Comm. Alcohols, p.	10c	Jan. 15	Dec. 31
Can. Cr. Stone	10c	Dec. 31	Dec. 15
Confederation Life	$1.50	Dec. 31	Dec. 25
Cons. Bakeries	15c	Jan. 2	Dec. 18
Can. Cottons	$1	Jan. 2	Dec. 1
Do., pref.	$1.50	Jan. 2	Dec. 1
Can. Canners	12½c	Jan. 2	Dec. 15
Do., 1st pref.	25c	Jan. 2	Dec. 15
Do., participating	5c	Jan. 2	Dec. 15
Do., 2nd pref.	15c	Jan. 2	Dec. 15
Do., participating	5c	Jan. 2	Dec. 16
Can. Converters	50c	Jan. 31	Dec. 31
Chartered Trusts	$1	Jan. 2	Dec. 15
Coniaurum Mines	4c	Dec. 20	Nov. 29
Cons. Smelters	50c	Dec. 31	Dec. 3
Do., bonus	75c	Dec. 31	Dec. 3
Celanese of Am., c.	†50c	Dec. 31	Dec. 19
Central Can. Loan	$2	Jan. 2	Dec. 20
Canada Forgings, B	$1.50	Dec. 22	Dce. 8
de Haviland Air., p.	$7	Dec. 29	Dec. 16
Disher Steel, pref.	$1.50	Dec. 24	Dec. 18
Dominion Bank	$2.50	Feb. 2	Jan. 15
Detroit Int. Bridge, c	†25c	Jan. 24	Jan. 3
Dunlop Tire	50c	Dec 20	Dec. 15
Do., pref.	62½c	Dec. 31	Dec. 15
David & Frere, A	25c	Dec. 31	Dec. 15
Delnite Mines	3c	Dec. 30	Dec. 8
Dom. Woollens, pfd.	60c	Jan. 2	Dec. 15
Dom. Foundries, c.	25c	Jan. 2	Dec. 20
Do., extra	25c	Jan. 2	Dec. 20
Dome Mines	▪50c	Jan. 20	Dec. 31
Dom. Glass	▪$1.25	Jan. 2	Dec. 15
Do., pref.	▪$1.75	Jan. 2	Dec. 15
Dom. Textiles	$1.25	Jan. 2	Dec. 1
Do., pref.	$1.75	Jan. 15	Dec. 15
East. Can. Savings	$2.50	Jan. 2	Dec. 20
Eastern Steel, pfd.	25c	Jan. 1	Dec. 15
Eastern Trust	$2	Jan. 2	Dec. 20
Excelsior Life*	4%	Jan. 2	Dec. 31
Federated Pete.	1c	Dec. 30	Dec. 15
Famous Players	25c	Dec. 27	Dec. 13
Foundation Co.	25c	Jan. 20	Dec. 31
Do., extra	25c	Jan. 20	Dec. 31
Four Star Pete.	1c	Dec. 30	Dec. 15
Ford Motor, A, B	25c	Dec. 22	Dec. 1
Falconbridge N.	5c	Dec. 20	Nov. 14
Gould Pumps, pfd.	†$2	Dec. 29	Dec. 18
Gatineau Pwr.	15c	Dec. 31	Dec. 1
Do., 5% pref.	$1.25	Jan. 1	Dec. 1
Do., 5½% pref.	$1.38	Jan. 1	Dec. 1
Gt. Lakes P. A, B, p	75c	Dec. 31	Dec. 20
Greening Wire	15c	Jan. 2	Dec. 15
Grey & B. Trust	1%	Dec. 20	Dec. 1
Do., extra	¼%	Dec. 20	Dec. 1
Gen. Stl. Wares, c.	*50c	Dec. 29	Dec. 18
Goderich Elev.	15c	Jan. 2	Dec. 15
Gt. West Saddlery, p.	75c	Dec. 31	Dec. 23
Do., 2nd pref.	75c	Dec. 31	Dec. 23
Guelph & Ont. Inv.	$1.50	Jan. 2	Dec. 20
Guelph Trust	$1.25	Jan. 2	Dec. 20
Goodyear Tire	63c	Jan. 2	Dec. 15
Do., extra	$2.50	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 15
Gt.-West Life	$3.75	Jan. 2	Dec. 20
Harding Carpets	10c	Jan. 2	Dec. 17
Do., extra	5c	Jan. 2	Dec. 17
Hart Battery	25c	Dec. 31	Nov. 29
Hard Rock G.	3c	Dec. 23	Dec. 9
Hinde & Dauch	25c	Dec. 20	Dec. 10
Ham. Un. Theat., p.	$1.25	Dec. 31	Dec. 15
Huron & E. Mtg.	1%	Jan. 2	Dec. 15
Hamilton Cotton	50c	Jan. 2	Dec. 15
Do., arrears	$1.75	Jan. 2	Dec. 15
H. Smith Pap., pfd.	$1.50	Jan. 15	Dec. 31
Honey Dew	50c	Jan. 2	Dec. 13
Hollinger Cons.	5c	Dec. 31	Dec. 16
Do., extra	5c	Dec. 31	Dec. 16
Howe Sound	†75c	Dec. 23	Dec. 16
Do., extra	†75c	Dec. 23	Dec. 16
Inter. Paper, pref.	†$1.25	Dec. 29	Dec. 19
Inter. Nickel, c.	†50c	Dec. 31	Dec. 1
Inter. Nickel, pref.	†$1.75	Feb. 2	Jan. 3
Invest. Found. pref.	75c	Jan. 15	Dec. 31
Intercol. Coal	$3	Jan. 2	Dec. 20
Do., pref.	$4	Jan. 2	Dec. 20
Intnl. Coal & C.	1½c	Dec. 24	Dec. 20
Inter. Mining	†10c	Dec. 27	Dec. 19
Inter. Paints, pfd.	$1	Jan. 12	Dec. 12
Do., arrears	25c	Jan. 12	Dec. 12
Inter. Power, pfd.	$1.75	Jan. 2	Dec. 12
Do., arrears	$1.25	Dec. 29	Dec. 10
Indust. Accept., A	25c	Dec. 31	Dec. 24
Do., pref.	$1.25	Dec. 31	Dec. 24
Imperial Tob., ord.	10c	Dec. 31	Dec. 5
Indust. Mtge. & Tr.	$1	Jan. 2	Dec. 15
Imperial Bank	$2.50	Feb. 2	Dec. 31
Inter. Bronze	▪37½c	Jan. 15	Jan. 3
Do., pref.	▪37½c	Jan. 15	Jan. 3
Jam. Pub. Service	17c	Jan. 2	Dec. 23
Do., pref.	$1.75	Jn. 2	Dec. 23
Jason Mines	2c	Dec. 30	Dec. 20
Kerr Addison	8c	Dec. 29	Dec. 6
Loew's, Marcus, p.	$1.75	Dec. 31	Dec. 20
Do., arrears	‡$1.75	Dec. 31	Dec. 20
Landed Banking	$1	Jan. 2	Dec. 15
Langley's, pref.	▪50c	Dec. 12	Dec. 3
Lang, J. A.	17½c	Jan. 2	Dec. 15
Lamaque Gold	▪10c+5c	Feb. 2	Jan. 9
Little Long Lac	10c	Dec. 20	Dec. 6
Levy Bros.	30c	Dec. 29	Dec. 19
Lava Cap Gold	†2c	Dec. 20	Dec. 5
Lambton Loan	$1	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Lambton Trust	$2	Dec. 31	Dec. 15
Manufacturers Life	$6	Jan. 2	Dec. 26
McColl-Front., pfd.	$1.50	Jan. 15	Dec. 31
Moneta Porc.	▪2c	Jan. 15	Dec. 31
Magnet Cons. M.	5c	Dec. 22	Dec. 12
Monarch Life	6%	Jan. 2	Dec. 15
Modern Containers	20c	Jan. 2	Dec. 20
Do., extra	10c	Jan. 2	Dec. 20
Do., pref.	$1.37½	Jan. 2	Dec. 20
Malartic Goldfields	5c	Dec. 22	Nov. 29
Midland Loan	40c	Jan. 2	Dec. 15
Montreal L. H. & Pr.	38c	Jan. 31	Dec. 31
Murphy Paint	20c	Jan. 1	Dec. 22
Do., pref.	$1.37½	Jan. 1	Dec. 22
McGillivray C.	2c	Dec. 24	Dec. 20
McManus Pete.	30c	Jan. 3	Dec. 26
Do., pref.	30c	Jan. 3	Dec. 26
McColl-Fron., pfd.	$1.50	Jan. 15	Dec. 31
McIntyre Porc., ex.	$1.11	Jan. 2	Nov. 1
Moore Corp.	55½c	Jan. 2	Dec. 4
Do., bonus	66½c	Jan. 2	Dec. 4
Do., pref. A, B	$1.75	Jan. 2	Dec. 4
Nat. Breweries	50c	Jan. 2	Dec. 10
Do., pref.	43c	Jan. 2	Dec. 10
N. S. Light & Pr., c.	$1.50	Jan. 2	Dec. 15
Nat. Grocers, pfd.	38c	Jan. 2	Dec. 15
Nat. Steel Car	50c	Jan. 15	Dec. 31
North. Empire M.	20c	Dec. 22	Dec. 10
North Star Oil, p.	8¾c	Jan. 2	Dec. 15
National Trust	$2	Jan. 2	Dec. 20
Neon Prod. W. Can. c	30c	Dec. 20	Dec. 6
New Eng. Power, p.	†$1	Jan. 2	Dec. 20
Do., $2 pref. A	†33⅓c	Jan. 2	Dec. 20
New Meth. Ldy. p	$1.62½	Dec. 17	Nov. 29
Niag. Wire Weav.	50c	Jan. 2	Dec. 16
Ogilvie Flour, c.	25c	Jan. 2	Dec. 17
Ontario Loan	$1.25	Jan. 2	Dec. 15



NEW PRESIDENT

J. G. Stenhouse has been named president and managing director of Bristol-Myers Co. of Canada Ltd., makers of Sal Hepatica, Ipana Tooth Paste, Mum, Vitalis and Ingram's Shaving Cream. Mr. Stenhouse, formerly vice-president, is a graduate in pharmacy, and has spent most of his life in the drug and toilet goods business.

Mining Dividends

	Rate	Dec. 15	Yield %
Anglo-Huronian	▴10c	2.65	..
Argus Interests	†4c	.35	..
Aunor Gold	16c	1.51	10.6
Beattie Gold	16c	.98	16.3
Berens River	†3c	1.00	..
Bralorne	80c+40c	9.90	*12.1
Broulan Porc.	12c	.63	19.0
Buffalo Ankerite	▴30c	2.90	..
Bulolo Gold	3c	13.00	..
Can. Malartic	8c	.46	17.4
Cariboo Gold	†16c+8c	1.75	*13.7
Central Patricia	16c+6c	1.35	*16.3
Chesterville	15c	1.52	..
Cochenour Willans	6c	.53	11.3
Coniagas	▴17½c	1.00	..
Coniaurum	16c	1.00	16
Cons Smelters	$1+$1.50	38.12	6.6
Delnite	▴6c	.67	..
Dome Mines	$2	17.50	11.4
East Malartic	▴20c	2.10	..
Falconbridge	20c	3.10	..
Francoeur Gold	▴4c	.36	..
Goldale	‡2c	.11	..
Gold Belt	▴2c	.20	[illegible]
Grandview	▴1½c	.16	..
Hallnor	60c	3.00	20
Hard Rock	▴8c	.55	..
Hedley Mascot	8c	.35	22.8
Hollinger	65c+45c	10.25	*10.7
Howey Gold	▴4c	.18½	..
Hudson Bay	$2	30.00	6.6
Inspiration	†2c	.30	..
Inter. Nickel, com.	$2	32.50	6.2
Island Mountain	▴18c	1.10	..
Jason	4c	.30	..
Kerr-Addison	▴35c	4.45	..
Kerr Lake	5c	.15	..
Kirkland Lake	10c+1c	.60	*18.3
Kootenay Belle	▴8c	.21	..
Lamaque Gold	40c+15c	4.10	*13.4
Lake Shore	$1.40	12.00	11.6
Leitch	8c	.42	19.0
Little Long Lac	▴20c	1.30	..
Macassa	32c+3c	3.00	*11.7
Madsen R. Lake	▴3c	.52	..
Malartic Gold	†10c	2.19	..
McGillivray Coal	‡3c+1c	.22½	..
McKenzie Red L.	12c	1.00	12
Moneta	8c	.28½	..
McIntyre-Porc.	$2.22+$1.11	45.00	*6.7
MacLeod-Cockshutt	10c	1.75	..
Naybob Gold	4c	.21	..
Negus	†7½c	.45	..
Nipissing	15c	1.05	14.3
Noranda	$4	48.50	8.2
North Empire	▴40c	3.75	..
O'Brien Gold	10c	.90	..
Pamour Porc.	18c	.88½	20.4
Pato Cons.	20c+2c	3.10	*7.1
Pend Oreille	▴6c	1.55	..
Perron Gold	16c+9c	1.35	*18.5
Pioneer, B.C.	40c	2.00	20
Pickle Crow	40c	2.45	16.3
Placer Develop.	$1.20	9.00	13.3
Premier	11c	.61	18.0
Preston E. Dome	20c+10c	2.95	*10.2
Privateer Mines	12c+4c	.46	..
Quebec Gold	2c	.30	..
San Antonio	14c+6c	1.92	*10.4
Sheep Creek	16c+1c	.87	*19.5
Sherritt Gordon	▴5c	.92	..
Sigma Mines	▴30c	6.45	..
Silbak Premier	16c	.74	21.6
Siscoe	▴8½c	.51	..
Sturgeon River	▴4c	.12	..
Sudbury Basin	▴5c	1.45	..
Sullivan Cons.	▴5½c	.64½	..
Surf Inlet	▴2c	.07½	..
Sylvanite Gold	28c	1.95	14.3
Teck-Hughes	40c	2.35	17
Toburn	12c+6c	1.08	*16.6
Upper Canada	▴11c	1.17	..
Ventures	▴20c	3.60	..
Waite Amulet	40c	4.50	..
Wendigo	3c	.12	..
Wright-Harg.	40c+20c	2.60	*23
Ymir Yankee	▴2c	.03½	..

†Paid in 1940. ▴Paid or declared payable in 1941 to date.

*Yield including bonus. †Initial.

Dividends Declared (Cont'd)

	This payment	Date payable	Date of record
Ottawa Elec. Rly.	30c	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Ottawa L. & Pr.	15c	Jan. 2	Nov. 25
Do., pref.	$1.25	Jan. 2	Nov. 25
Power Corp.	▪15c	Feb. 2	Dec. 31
Do., pref.	▪$1.50	Jan. 15	Dec. 31
Do., 2nd pref.	▪75c	Jan. 15	Dec. 31
Price Bros., pfd.	$1.37½	Jan. 2	Dec. 20
Page-Hersey	$1.25	Jan. 2	Dec. 15
Pickle Crow	10c	Dec. 31	Dec. 15
Placer Dev.	60c	Dec. 23	Dec. 5
Porto Rico Pwr., pf.	$1.75	Jan. 2	Dec. 18
Proprietary Mines	8c	Dec. 30	Dec. 16
Perron Gold	▪4c	Dec. 20	Dec. 1
Do., extra	▪6c	Dec. 20	Dec. 1
Pioneer Gold	10c	Jan. 2	Nov. 29
Preston E. Dome	5c	Jan. 15	Dec. 31
Para. Pictures	†25c	Dec. 27	Dec. 11
Do., 1st pref.	†$1.50	Dec. 27	Dec. 12
Do., 2nd pref.	†15c	Dec. 27	Dec. 12
Premier Gold	2c	Jan. 15	Dec. 15
Pato Cons. Gold	10c	Jan. 10	Dec. 20
Quebec Power	25c	Feb. 25	Jan. 26
Remington Rand	†25c	Jan. 2	Dec. 10
Do., pref.	†$1.12½	Jan. 2	Dec. 10
Real Est. Loan	$1	Jan. 2	Dec. 17
Robin. J. & Whit. p.	$3	Jan. 2	Dec. 15
Russell Indust.	20c	Dec. 26	Dec. 10
Do., pref.	$1.75	Dec. 26	Dec. 10
R. S. Mills, A	50c	Jan. 2	Dec. 13
Sangamo Co.	25c	Dec. 26	Dec. 22
St. J. Drydock, p.	$1.37½	Jan. 2	Dec. 24
Sterling Trusts	$1.50	Jan. 2	Dec. 20
Supertest Pet. c. ord.	50c	Jan. 2	Dec. 12
Do., extra	25c	Jan. 2	Dec. 12
Do., B pref.	75c	Jan. 2	Dec. 12
Sheep Creek Gold	4c	Jan. 15	Dec. 31
Do., extra	1c	Jan. 15	Dec. 31
Sigma Mines	30c	Jan. 15	Dec. 31
Simon & Sons	15c	Dec. 20	Dec. 6
Do., pref.	$1.75	Dec. 20	Dec. 6
St. Law. Corp., A p.	▪25c	Jan. 15	Jan. 2
Do., arrears	▪$1	Dec. 22	Dec. 10
South Can. Pwr.	20c	Feb. 16	Jan. 31
Do., pref.	$1.50	Jan. 15	Dec. 20
St. Law. Paper, pfd.	▪75c	Jan. 15	Jan. 2
Do., arrears	▪$1.50	Dec. 22	Dec. 10
Securities Hold., pf.	65c	Jan. 2	Dec. 19
Shawinigan W.	22c	Nov. 25	Oct. 24
Stedman Bros.	15c	Jan. 2	Dec. 20
Do., pref.	75c	Jan. 2	Dec. 20
Sun Life Assur.	$3.75	Jan. 1	Dec. 16
Supersilk Hos., pfd.	$2.50	Jan. 2	Dec. 19
Sylvanite Gold	7c	Dec. 27	Nov. 8
Sher.-Williams, c.	15c	Feb. 2	Jan. 15
Sher. Williams, pf.	$1.75	Jan. 2	Dec. 15
Sudbury Basin M.	2½c	Dec. 30	Dec. 15
Stand. Radio, A, B	10c	Jan. 10	Dec. 31
Stand. Chemical	50c	Jan. 31	Dec. 31
Stand. Fuel, pfd.	1c	Jan. 1	Dec. 15
Thayers, pref.	$3.50	Jan. 1	Deç. 20
Tor. Gen. Trusts	$1	Jan. 2	Dec. 13
Tip Top Tailors	15c	Jan. 2	Dec. 20
Do., pref.	$1.75	Jan. 2	Dec. 20
Traders Fin., A rts.	$1	Jan. 2	Dec. 15
Do., B rights	$1	Jan. 2	Dec. 15
Do., pref.	$1.50	Jan. 2	Dec. 15
Teck-Hughes	▪10c	Feb. 2	Jan 9
Toronto Mortgage	$1.25	Jan. 2	Dec. 15
Tamblyn	20c	Jan. 2	Dec. 15
Do., pref.	62½c	Jan. 2	Dec. 12
Tombill Gold	5c	Dec. 22	Dec. 12
Un. Gold Eq., st. e.	6c	Dec. 30	Dec. 19
Un. Bond & Share	15c	Jan. 15	Dec. 30
United Fuel, p. A	75c	Jan. 2	Dec. 20
United Corp., B	*25c	Dec. 22	Dec. 1
Ventures	▪10c	Dec. 30	Dec. 10
Viau, pref.	$1.25	Jan. 2	Dec. 20
Vulcan Br. Pet.	2c	Dec. 30	Dec. 15
Wabasso Cotton	50c	Jan. 2	Dec. 20
Do., extra	50c	Jan. 2	Dec. 20
West Koot. Pr., pfd.	$1.75	Dec. 31	Dec. 15
West. Grocers	75c	Jan. 15	Dec. 20
Do., pref.	$1.75	Jan. 15	Dec. 20
Weston, Geo., c.	20c	Jan. 2	Dec. 15
Wilsils	25c	Jan. 2	Dec. 15
Wr.-Hargreaves	10c	Jan. 2	Nov. 26
Do., extra	5c	Jan. 2	Nov. 26

†Payable in U. S. funds. ▪Subject to approval of Foreign Exchange Control Board. *Initial.
*Increased to 40c paid along with this

Says Buyers In U. S. Beat Price Policy

Crabtree Urges Export Restrictions Until Domestic Needs Met

From Our Own Correspondent

MONTREAL.—United States buyers are taking advantage of Canadian wartime price regulations to obtain additional supplies of pulpwood from Canada at higher prices than those at which the Canadian industry is permitted to buy, according to Harold Crabtree, president of Howard Smith Paper Mills and head of the Canadian Manufacturers Association, before the Toronto Graphic Arts Association.

(Under the terms of the price ceiling regulation, the domestic price is frozen, but operators in the export market can sell their product at whatever price they can get.)

Have Own Problems

As a result of price and wage legislation, Mr. Crabtree said, the pulp and paper industry, like all industry in Canada, had to pay higher wages than ever before and to maintain purchasing power by cost-of-living bonus.

"The industry should not be permitted to ship its products into the export markets in order to obtain higher prices than it can procure at home, as long as there is a demand for these products in Canada which is not satisfied, except in the case where exports are in the interests of national economy," he said.

Mr. Crabtree estimated that, assuming the Canadian pulp and paper industry received adequate supplies of raw materials to operate its mills on a high capacity schedule for the next six months, "I can see no danger of our running out of commercial paper supplies."

Commodities

Price Indices Mostly Lower

Canadian Ceilings and Wider U. S. Controls Check Advances

Outbreak of war with Japan has had only a moderate effect on commodity prices.

In Canada the establishment of price ceilings on practically everything prevented advances of any account occurring. In the United States, ceilings have been established on a number of commodities while it is expected the control will be further extended. Among the articles recently brought under control in the United States are sugar, coffee, pepper and a wide range of fats and oils. Agricultural commodities which have the greatest freedom showed the greatest tendency to rise, due mainly to the known policy of the Washington government on this group.

Wood Gundy's, the D.B.S. and the United States Labor indices of Commodity prices were all slightly lower. Dow Jones index of future prices was slightly higher.

	Latest week	Previous week	Same week last yr.
Cattle	$9.75	$9.50	$9.25
Hogs	14.75	14.85	11.50
Copper, lb.	.12	.12	.12
Cotton, lb.	.1803	.1824	.1040
Sugar, raw, lb.	.0350	.0350	.0295
Wheat, Man. (bu.)	.73¾	.75⅛	.73½
Coffee, lb	.09⅛	.09⅜	.05¼
Hides	.15½	.15½	.13
Weekly Indices			
Canada, D.B.S.	93.6	93.9	84.1
Do., Wood, Gundy	74.9	75.1	67.3
U. S. Labor	92.2	92.3	79.8
Dow Jones (future)	83.76	82.81	56.35
Fishers	99.2	99.0	85.0
Monthly Indices			
Canada (D.B.S.):			
Retail (Nov.)*	116.3	115.5	107.8
W'sale. (Oct.)	93.8	93.2	83.3
U. S. (Sept.)	91.8	90.3	78.0
Gt. Brit. (Sept.)	154.3	153.2	141.1

Note:—The base of indices is that 1926 equals 100 *Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

Wheat Exports Up In November

Shipments Almost Double October; Flour Exports Also Better

Exports of wheat last month almost doubled those of the previous month at 22.1 million bushels, this being the highest mark set by shipments since May when 29.6 million bushels were exported. Improvement over November, 1940, was almost five million bushels.

Flour exports of 586,513 barrels in November were up from the October figure of 441,000 but showed a decline from the 682,718 barrel export mark of November a year ago.

Details of the month's exports as supplied by the Dominion Bureau of Statistics are as follows:

Wheat Flour Exports	Quantity Barrels	Value $	Aver. $
November:			
1938	477,875	1,560,868	3.26
1939	572,810	1,847,100	3.22
1940	682,718	2,343,993	3.43
1941	586,513	2,398,016	4.08
Eleven Mos. ended Nov.:			
1938	3,546,801	16,479,797	4.64
1939	4,439,458	13,338,088	3.00
1940	6,625,291	25,135,082	3.79
1941	10,508,955	41,094,119	3.91
Wheat Exports	Quantity Bushels	Value $	Aver. $
November:			
1938	21,703,514	12,727,305	0.58
1939	20,635,199	14,842,030	0.71
1940	17,277,560	13,547,448	0.78
1941	22,105,053	17,513,311	0.79
Eleven Mos. ended Nov.:			
1938	98,195,775	80,346,216	0.81
1939	128,492,138	83,009,379	0.64
1940	127,407,260	110,212,308	0.86
1941	178,375,298	147,561,062	0.82

Montreal Broker Loans Move Up in November

From Our Own Correspondent

MONTREAL.—Collateral borrowings of member firms of the Montreal Stock Exchange and Montreal Curb Market at the end of November last totalled $5,897,999. This represents an increase of $128,710 during the month, but was $555,913 lower than at the same date last

Barley Prices Bump Price Ceiling

From Our Own Correspondent

WINNIPEG.—Prices for top grades of barley have been bumping into the ceiling fixed by the Canadian Wheat Board as agent for the Wartime Prices and Trade Board. The established level is 64¾ cents per bushel, and both grades 1 and 2 of both 2 row and 6 row barley been trading at that level. Lower grades of barley, used mainly for feeding purposes, are still 7 cents or so a bushel under the ceiling price, although the price for May barley, based on 3 C.W., has been getting fairly close to the ceiling, at 60 cents per bushel. It looked for a while as if flax prices under the stimulus of demand from the United States, might bump into the ceiling of $1.64 a bushel.

A recent advance in Argentine linseed prices, imposed by the government of that country, seemed likely to make Canadian flax, at the ceiling level, an attractive purchase in the United States, particularly as intensified shipping difficulties may restrict the quantity of Argentine flax that can reach the United States.

However, prices have been running a few cents below the ceiling, probably because purchasers, now protected by the ceiling, feel no great need to anticipate their requirements more than a short time in advance.

CIO Organizes Bank Workers

Banque Canadienne Nationale Union Seeks Higher Wages, Etc.

From Our Own Correspondent

MONTREAL.—The C.I.O. is understood to have got a toe-hold in the chartered banks. Some 400 employees of the head office of the Banque Canadienne Nationale have been organized by Alan C. Wright into Local No. 5, Office and Professional Workers Organizing Committee, Banque Canadienne Nationale. Mr. Wright is Quebec province organizer for the Steel Workers Organizing Committee.

At a meeting of the newly-formed union, which was attended by representatives of other banks, employees were told by Alan Wright that their demands for higher wages would have to go before the National War Labor Board.

Before that is done, however, the management of the bank will be approached and asked to accord formal recognition to the union and to sign a collective labor agreement with employees, providing for higher wages and better working hours.

Restrictions Cut New Car Sales

Restrictions on instalment buying, first in effect in October, had a very apparent influence on sales of new passenger cars in Canada during that month. There were 3,879 new cars sold for $5,276,280 in October, down 20% in number and 9% in value from the 4,827 cars which retailed for $5,820,735 in October, 1940.

Sales in Quebec were up 3% over a year ago, this being the only province to register a gain. Declines in other provinces were 10% for the Maritimes, 22% for Ontario, 25% in Manitoba, 27% in Alberta, 29% in Saskatchewan and 40% in British Columbia.

Sales of new commercial vehicles were up 11% in number at 1,848 units and 21% in dollar value at $2,602,695. In October, 1940, commercial vehicle sales were 1,665 units having a value of $2,155,441. Increase in this field for October was restricted to eastern Canada.

For the first 10 months of this year sales of new cars totalled 76,390 vehicles, down 10.5% from the 85,398 reported for the same period a year ago. Retail value, however, was 3.9% higher at $98,969,148 compared with $95,277,185. In the first 10 months of 1941 there were sold 30,436 new trucks and buses compared with 25,093 last year, an increase of 21.3%. Value of sales was 28.8% higher at $37,728,508 against $29,289,641.

Hedley Mascot Gets Canty Equipment

All the equipment of Canty Mines has been acquired by Hedley Mascot Gold Mines in full payment of a $50,000 loan, in accordance with an agreement of Dec. 1.

In addition, Hedley Mascot is to take over the Canty property and pay the carrying charges, leaving Canty the right to dispose of the property within the next three years, if a favorable sale can be made.

During the term of Hedley Mascot's operation of the Canty mine, operating costs exceeded receipts by $37,500. All mining at Canty was suspended last June.

Dom. Engineering On All-out Basis

From Our Own Correspondent

MONTREAL.—Dominion Engineering Works continued to operate on an all-out basis, with sufficient volume of business on hand to keep the plant operating at capacity for many months to come. At this time about 85% of the company's manufacturing facilities are devoted to war work, such as the manufacture of steam engines or the shipbuilding programme, etc.

Considerable business has been offered to the company by private corporations, but this work has had to be put on the deferred list pending completion of the government

Week in Wheat

Farmers are Protesting Lifting of All Quotas

Some Are Claiming They Have Been Victimized by Acceding to Ottawa's Request for Co-operation in Acreage Reduction

From Our Own Correspondent

WINNIPEG.—All quota restrictions on deliveries of wheat by farmers in western Canada have now been removed by the Canadian Wheat Board, and farmers are free to dispose of all their wheat, and to deliver it at any point they like, instead of being limited, as at the beginning of the season to delivering at points named in the permit book.

It is still stipulated, however, that deliveries must be recorded in permit books. The Wheat Board thus recognizes that elevator congestion has now been sufficiently relieved so that it is not necessary to allot elevator accommodation between different farmers.

It also recognizes that the total quantity of wheat to be disposed of in the west this year falls short of the 222 million bushels which, it was earlier announced, would be the maximum allowable total deliveries of wheat in western Canada during the current crop year.

Some are Grieved

While this abandonment of quota restrictions is welcomed by most farmers, there are some who find in it a matter of grievance. They point out that in accordance with the government's request, they limited their wheat acreage in 1941 to 65% of the acreage seeded in 1940. True, they received a government bonus of $4 per acre for land thus transferred to summerfallow, but as their wheat yields were actually good, they found that they had suffered financially by falling in with the government's programme.

* * *

Claim Unfairness

To them it seems to be unfair that farmers who did not reduce their wheat acreage, but who may actually have increased it, are able to dispose of all their wheat, and thus are profiting from their refusal to comply with the government's request. Such non-co-operating farmers, they feel, should be penalized by being refused permission to deliver wheat grown on land in addition to the basic acreage of 65% of the 1940 acreage, and forced to hold over such wheat for another crop year. That is not, they insist, merely because they object to someone else benefiting out of the present situation from which they cannot benefit, but because they do not wish to see elevator storage space congested [illegible] way that will limit their [illegible] deliveries during another crop year. And they say, experience this [illegible] will make it more difficult to secure compliance on the part of farmers in any wheat acreage restriction plan the government may attempt to employ in the future.

* * *

"Just Guessed Right"

The farmers who did not cut down their acreage reply that the government at no time made a regulation requiring farmers to reduce wheat acreage. Instead the governmemnt offered inducements for reduction, inducements which proved to be attractive in some cases, and not attractive in others. In addition farmers were told that it might be necessary to limit deliveries, and they were then left to use their own judgment as to what plan of farm operation was likely to be most profitable to them individually. Those who maintained a full acreage, and actually harvested large crops, guessed right, and feel that they are properly rewarded for their foresight. Those who harvested crops of less than average size feel that if any set of farmers should be forced this year to hold wheat over, it should be those farmers who were so fortunate as to have big yields per acre. That would have been accomplished, they point out, had the Wheat Board continued its quota system, gradually increasing the limit up to say 30 bushels per acre, and stopping there.

As most farmers harvested much less than that yield most of them would have been completely taken care of. Anyone fortunate enough to have secured more than such a yield should not complain if compelled to withhold the rest of his crop from market during the current year.

* * *

Dissatisfaction Inevitable

While such differences of opinion are not of great importance at the immediate present, they do illustrate the difficulties, and the conflicting interests sure to arise under any system of restricting farmers' marketings. If the actual crop this year had proved to be larger than enough to supply the quantity stipulated by the government for marketing, it would probably have been found impossible to discover any plan of allotting deliveries between different groups of farmers in any way that would have satisfied all and that would not have led to complaints of injustice.

Gardiner Hints Change In Farm Assistance Act

From Our Own Correspondent

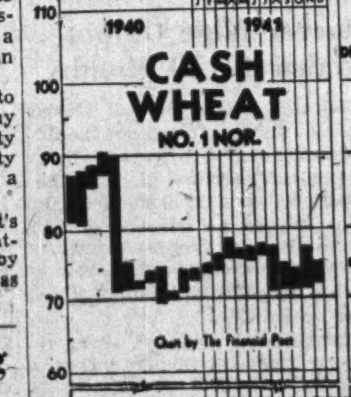
WINNIPEG.—Amendment of the Prairie Farm Assistance Act to make it possible for the government to declare an emergency year regardless of the price of wheat was forecast in an announcement made at Regina by the Hon. James Gardiner, Minister of Agriculture.

That act provides for two types of assistance to western farmers when crops are poor. One is with respect to crop failure areas, when in any year a fairly large number of townships in any province is found to have an average wheat yield of five bushels per acre or less of wheat. That is quite independent of the price of wheat.

The other type of assistance comes into play when the government declares an emergency year, which it is empowered to do in any year when the average price of wheat in any year is, from Aug. 1 to Nov. 1, less than 80 cents a bushel, basis No. 1 northern at the head of the lakes. From 12 bushels down to 8 bushels per acre average yield in any township, assistance is given at the rate of 10 cents per acre on half the cultivated acreage of any farmer, up to 200 acres, for every cent by which the average price of wheat is less than 80 cents a bushel. When yields are below 8 bushels per acre flat payments are payable without further reference to the price of wheat.

This year was declared by the government to be an emergency year, as the average price of wheat, as defined, was below 80 cents a bushel. Mr. Gardiner's statement was not that the act is actually to be amended, but that he will recommend such amendment to the Cabinet. If made, the change will presumably be effected by legislation, instead of by order-in-council under the War Measures Act, in order that the change may be permanent, and not limited to the life of the War Measures Act.

Wheat Prices



Cash Quotations

For Week

Wheat:	High Dec. 15	Low	High Prev.	Low Week
1 Hard	.74¾	.73¾	.75¾	.74½
1 Nor.	.74¾	.73¾	.75⅝	.74½
2 Nor.	.71¾	.70¾	.72¾	.71½
3 Nor.	.68¾	.67⅞	.69⅝	.68⅝
4 Nor.	.67½	.66½	.68	.67¼
5 Wheat	.65¼	.64¼	.65¾	.65
6 Wheat	.63¾	.62¾	.60¼	.59½
Oats:				
2 C. W.	.47¾	.45⅝	.45⅞	.44⅞
3 C. W.	.45¼	.43¼	.43½	.42⅛
Barley:				
1 Feed	.56½	.55¾	.58⅞	.55⅛
2 Feed	.55¾	.54½	.56⅛	.54⅞
Flax				
1 C. W.	1.60¾	1.53¾	1.54	1.50⅜
2 C. W.	1.57	1.50	1.50¼	1.46⅞
Rye:				
2 C. W.	.60	.58¼	.59⅝	.58⅛

Winnipeg Grain Futures

Week to Dec. 15, 1941

Crop year from Aug. 1, 1941 High	Low		Open Dec. 9	High for week	Low for week	Close Dec. 15	Close year ago
		Wheat					
.79	.72⅛	Dec.	.75⅝	.75⅝	.74¾	.73¾	.73½
.82¾	.76¼	May	.79	.79⅛	.77⅞	.77⅞	.77⅞
.80⅞	.77⅞	July	.80⅛	.80⅛	.78⅜	.78¾	.79
		Oats					
.48½	.35⅛	Dec.	.45⅝	.47⅛	.44¾	.47	.32½
.47⅞	.38⅛	May	.46⅝	.47¼	.45	.46⅝	.31⅞
.46¼	.43⅛	July	.46	.46¼	.44½	.45⅞	.30½
		Barley					
.61⅝	.46¼	Dec.	.59⅞	.60⅝	.59¼	.59¾	.42¾
.62	.49⅝	May	.61	.61⅝	.59⅛	.59¾	.43⅝
.61	.55⅛	July	.60	.60¼	.58⅜	.58⅜	.41⅞
		Flax					
1.68½	1.40⅛	Dec.	1.54½	1.66½	1.53¼	1.53¾	1.29¾
1.64½	1.40¼	May	1.58¾	1.64	1.55¾	1.57⅛	1.33⅝
1.64	1.48	July	1.59	1.64	1.57	1.57½	1.35
		Rye					
.66	.50¾	Dec.	.59½	.60	.58½	.59¾	.44¾
.67⅝	.51⅝	May	.62⅝	.63⅝	.61½	.62⅝	.48½

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Week in Mining

Scope of Mineral Output Extended With the War

Regular Production of Many New Metals Now a Fact With Further Items Expected to be Turned Out in 1942 – War Metals Predominate

Several minerals new for Canada have been placed in production since the outbreak of war and from present indications this list will be further broadened during the course of the next year.

Mercury, barite, molybdenite, manganese, tungsten, chromite and pyrites are the most important of the metals or ores already added, while magnesium and magnesia are two further items which it is planned to turn out next year.

Production of several of the above cannot yet be termed other than small scale, but mercury, barite and pyrites, at least, are already being turned out in quantity. Prospects for increasing quantities of the remainder are bright with the likelihood of increased production of each individual mineral in the coming year.

U. S. Big Nickel User

Scope of International Nickel Co.'s expansion is revealed in a statement of R. C. Stanley this week—reviewed elsewhere in this issue. Mr. Stanley confirmed that nickel production and consumption in 1941 were at all-time highs, that Inco is undertaking an expansion to cost $35 millions and that steps have been taken to divert supplies of nickel from non-essential to war uses.

Perhaps the most startling part of Mr. Stanley's review of the nickel industry in 1941, however, was the statement that the United States is now consuming over two-thirds of the world's nickel output. This is powerful evidence of the immense armament programme under way there.

* * *

1942 Nickel Output

Incidentally, it may be possible to gauge roughly scheduled output for the nickel industry in 1942. As reported in this column last week, the Office of Production Management estimates that 208,350,000 lbs. of nickel will be made available for United States industry in 1942. If the United States uses only two-thirds of the world's nickel output in 1942 (compared with over two-thirds in 1941), world output of nickel in 1942 may be something over 312 millions pounds of which probably 300 millions pounds would come from Canada.

Production of nickel for 1940 was not released but was a new record. In 1939, a record had been established at 226 million pounds. In the boom year of 1929, 110 million pounds of nickel were turned out. It appears Canadian nickel production in 1942 may be close to triple the 1929 level.

* * *

Lake Shore Quarterly!

This week Lake Shore Mines issued its first quarterly report—a complete resumé of operating and development results for the three months ended Sept. 30, 1941, the first quarter of the company's current fiscal year. The new departure was hailed as a step in the right direction. It is in line with the policy of complete information for shareholders which is an essential of sound corporate company policy and of simple equity.

A complete change in policy as regards the release of information has now been implemented and the Lake Shore management is to be congratulated. From a policy of disclosing virtually nothing but bare details on development results, Lake Shore has now swung over to a policy of telling shareholders all.

The quarterly report just issued is a worthy sequel to the much fuller and complete annual report issued this year.

Readers of this column will be able to name more than one company which learned its duty to inform shareholders too late to escape painful explanations.

* * *

New Metal Mines

Spurred on by the hope of providing Canada with badly-needed additional supplies of war metals, the Lindsley interests of Toronto, through their various affiliated companies, are taking a very real interest in opening up of new mines.

The latest project to receive attention is Calumet Mines in Quebec where past surface drilling has indicated over a million tons of lead-zinc ore. A shaft is to be put down here for a programme of underground development. Sherritt Gordon Mines, a Lindsley enterprise, is putting down a shaft to develop a deposit of hematite iron ore in the Michipicoten area of Ontario. Sudbury Basin Mines, a subsidiary of Ventures Ltd. is also considering re-opening its old Sudbury property to which the near-by Treadwell Yukon properties have been added.

* * *

Smelters' War Efforts

One of the biggest contributions to the war effort by the mining industry is that of Consolidated Mining and Smelting Co. This company has already erected and is operating plants for the Dominion Government at Trail, B.C., and Calgary, Alta., with no profit being taken on either construction or operation. The company will now erect and operate a plant on the same basis to turn out 5,000 tons of magnesium annually.

It is expected that the new plant will be in operation within a period of nine months. The plant will be built for the account of the British Government and the product of the plant will go to the United Kingdom. Magnesium has numerous war uses including flares and aircraft.

Week in Oils

Oil in Vital Role

From Our Own Correspondent

CALGARY.—With all of North America, and much of the rest of the world, now engaged in war on a world-wide front, with rationing of petroleum products scheduled to start in Canada next April and perhaps in the United States soon after, the Alberta oil industry has in recent days become an even more vital factor in the national economy.

Canada is in an improved position as far as domestic production is concerned.

Turner Valley oil wells, during the first week of December, produced more than 1,000 bbls. per day in excess of the "war emergency" quota requested by the Dominion's Oil Controller. Production of 27,078 bbls. per day was recorded during the first seven days of the month, compared with the combined conservation and war emergency allotment of 26,000 bbls. During the first half of this year production did not quite measure up to the war emergency demand, although the field showed increasing strain. During the latter half of this year, production has climbed, has averaged from 400 to 1,400 bbls. per day in excess of the war allotment, while at the same time a declining overall gas-oil ratio has indicated increasing efficiency of operation.

* * *

All-out Development

A few months ago a third of the heavy rotary rigs available in Turner Valley was idle. Today development is booming, practically every rig capable of being put to work is now in operation, or is being installed at some new location.

Crude oil production from fields outside of Turner Valley is now estimated at around 300 bbls. per day, more than double the yield shown a year ago. While this outside production is not yet large, it must be realized that it has been developed by patient, widespread exploratory activity on the plains and foothills of the province. The areas proven or semi-proven by 1941's exploratory drilling are now undergoing intensified development. There should be a substantial expansion of production during the coming months, particularly in the central plains area.

In addition to the expectation of increased production from current fields, there are great hopes for the discovery of additional new fields during the coming months. Drilling is now under way, or is getting under way, at numerous promising but as yet unproven areas.

The Alberta oil industry produced about 8½ millions bbls. of oil for Canada-at-war in 1940, will produce about 10 millions bbls. in 1941, and may well do even better in 1942, perhaps by a wide margin.

* * *

Princeville Producer

The Princeville Pete No. 2 well in the Vermilion field commenced flowing under its own power early on Dec. 7, starting with an initial of around 70 bbls. per day of net oil and settling in a week to just over 35 bbls. per day. The very satisfactory performance of the well leaves no doubt but it will be a commercial producer, although it is not yet possible to estimate the probable recovery under steady operation.

The Acme Oil & Gas Co. has staked its Acme Nos. 3 and 4 sites in the Vermilion area and was expected to get drilling under way at one of these last week-end. No. 3 has been located in L.S.D. 13 17-50-5w4. It will probably be drilled by the Western Drilling Co. No. 4 has been staked in L.S.D. 6 20-50-5w4, and was expected to spud in last week-end, with General Petroleums Ltd. drilling under contract, using the light rotary used last at Princeville No. 2.

Drilling permit has been issued for Western Battleview No. 4, in L.S.D. 16 18-51-5w4. It is understood that Western Drilling Co. has already spudded in and is now making hole below 200 ft. Another new location coming up for Vermilion is Flobell No. 1, to be put down by Vermilion Consolidated Oils for New York interests. Exact location has not yet been announced.

* * *

New Dina Well

In the Dina field, the Omega Syndicate has staked its Dina-Omega No. 2 in L.S.D. 12 9-45-1w4, and is believed to have spudded in. The Dina-Omega No. 1 test was recently completed at 1,706 ft., and is now on test.

Southwest No. 7, central Turner Valley test in L.S.D. 13 8-19-2w5, and Royalite No. 63, central flank test in the centre of an 80-acre site comprising L.S.D.'s 8 & 9 7-19-2w5, were spudded in last week end, using the heavy duty rotary rigs freed five days previously by completion of Royalite No. 60 and Southwest No. 6. The two new completions are now undergoing acid treatment. Both are expected to prove substantial producers.

Nickel Output and Use Reach New High Levels—Stanley

Record world production and consumption of nickel in 1941, the United States as user of over two thirds of the world's nickel output, 90% for high priority war orders—these are highlights of a year end survey of the nickel industry by Robert C. Stanley, president of International Nickel Co. of Canada.

"The sharp increase in demand arising from the joint British-Canadian and United States war effort required nickel production far beyond anything experienced in the past," Mr. Stanley declares.

U. S. Use More Than Double

"The United States consumed over two thirds of the world's total nickel output in 1941," Mr. Stanley states, "as contrasted with an average annual consumption of about one third during recent years. It is estimated that steel mills in the United States are currently consuming approximately 70% of the refined nickel imported into that country. Of the remaining 30%, foundries are taking 7.3%, brass mills 6.5%, heat resisting and electrical resistance alloys 4.6%, electroplaters 2.5%, and the balance is required for rolled nickel and high nickel alloys and a variety of other products.

All mines and smelters of International Nickel operated at capacity throughout the year and the production rate has been raised in an endeavor to satisfy the unprecedented wartime demands for nickel. To increase its nickel production by 50 million lb. annually over its 1940 rate and thus make available a substantial additional supply, the company has undertaken a production expansion programme to be completed in 1943 involving an expenditure of approximately $35 millions.

"The prices of nickel in Canada and the United States remained unchanged during 1941 at figures prevailing for over 15 years. No price revision is anticipated in the immediate future.

Divert Nickel For War

"Coincident with the diversion of raw materials from non-essential purposes, additional measures of conservation were undertaken by the British, Canadian and United States governments so as to ensure adequate nickel deliveries to the war industries of these countries. According to present estimates, over 90% of the nickel now available is being used to fill high priority war orders.

"Shortly after United States consumption of nickel was placed under priority control by the Office of Production Management at Washington, International Nickel publicly offered the services of its technical staff to peace-time consumers in the United States. This was done to assist them in finding substitute materials and to aid in solving problems caused by the diversion of nickel to war industries.

Stress Research

"Since the conclusion of the first World War, rolling mills, adequately equipped with the latest types of machinery, have been constructed by International Nickel in Great Britain and the United States. These modern facilities, supported by intensive research efforts in metallurgy and metal markets, have established many new alloys of nickel and types of monel which have become standard materials of construction in many industries. Concurrently development and research activities, on the part of users of nickel, have developed new nickel applications, many of which for the time being must remain inactive because of priorities and the requirements of nickel for war.

"With the knowledge that research has played so important a role in our peacetime activities, the development and research work in our seven research laboratories in Canada, the United Kingdom and the United States is being particularly stressed.

Assist Readjustment Period

"New nickel applications arising from current conditions, added to the background of research and development, will be available to help bridge the period of readjustment when peace is re-established. The industry will be placed in much better position to meet postwar adjustments than was the case in the years following the last war.

"Last September the British Ministry of Supply renewed for another year International Nickel's agreement to deliver the major part of its output of electrolytic copper for war requirements of the United Kingdom, and all of the remainder will be sold in Canada.

"The nickel industry continues to exert intensive efforts to speed Empire production by supplying essential Canadian nickel at a maximum rate."

Lake Shore Ore Better On 5,450-ft. Level

Greater footage of ore opened up and better than average ore disclosures on the 5,450-ft. level—the deepest yet opened up—are features of the first quarterly report of Lake Shore Mines for three months ended Sept. 30, 1941.

During the period, a total of 4,087 ft. of drifting was completed, of which 1,931 ft. or 47.2% was in ore averaging 0.780 oz. per ton across an average width, in the drifts, of 65.4 inches. In the preceding quarter, 4,612 ft. of drifting had been completed exposing 1,727 ft., or 37.4%, of ore grading 0.742 oz. per ton. More ore of better than average grade was opened in the September quarter than the average of the four quarters in the fiscal year ended June 30, 1941.

Mined Grade Lower

As explained in the last annual report, drift values such as those above apply only to the ore exposed in the drift and do not necessarily represent final recoverable grade. Widths of lower grade material occurring in places in the walls of the drifts; dilution from the walls as stoping progresses and lengths of marginal ore or even waste, which must be mined to avoid the making of pillars in the stoping area, are all factors contributing to the lowering of the grade of ore as stoped.

Of drifting carried out in the September quarter, 1,336 ft. or 32.6% was done on the levels down to the 4,450-ft. horizon. Of this advance, 481 ft. or 36% was ore averaging 0.642 oz. across 53.3 inches.

Production of $2,171,515 was secured from 140,654 tons of ore in the September quarter with recovery averaging $15.44 per ton. Operating profits were $1,169,226 before taxes and depreciation.

5,450 Above Average

Results in the September quarter were particularly encouraging at the 5,450-ft. level, the deepest yet opened up at Lake Shore. An advance of 456 ft. at this level has exposed 306 ft. of ore averaging 0.712 oz. per ton across a drift width of 77.5 inches. The results secured to date at this horizon are considerably better than the average for the levels immediately above, for the reason that the drifts encountered a good shoot of ore as soon as driving from the crosscut started and so far only a limited amount of drifting has been done. At the 5,200-ft. horizon, the next deepest level where drifting has been carried out, an advance of 2,262 ft. has exposed 783 ft. of ore with an average gold content of 0.512 oz. per ton.

More Ore To East

In connection with the current programme of drifting at lower horizons in the mine, a feature worthy of note is the fact that ore has been found much farther to the east than formerly. Reason is that at higher elevations in the mine the veins were shifted to the north, beyond the property boundary, by a fault zone of large total displacement. Due to the south dip of the veins, the faulted portions to the east of the fault are now within Lake Shore ground. The possible vein length along the south vein at the 5,200-ft. level is about 1,000 ft. During the quarterly period, 720 ft. of drifting was done to the east of the fault and of this advance 257 ft. or 35.7% was ore averaging 0.691 oz. per ton over a width, in the drifts, of 65 inches. Results secured on the 5,075-ft. and 5,200-ft. levels from the work in this area to Sept. 30, 1941, are given below:

Level ft.	Advance ft.	Ore ft.	In ore %	Width in.	Grade oz.
5,075	382	79	20.7	60.5	0.511
5,200	530	278	52.5	65.7	0.680

Depth Programme

Preparations are being made for opening the mine down to the 6,075-ft. level. This work in the quarter consisted of:

1. Driving pilot raises for slashing No. 6 shaft down to the 5,450-ft. horizon. At the end of the period this shaft was completed to a depth of 42 ft. below the 4,950-ft. level and pilot raises were completed to 5,450 ft. with the exception of the one between the 5,325-ft. and 5,200-ft. levels.
2. Driving the ore-pass raise from No. 4 shaft loading pocket at the 6,075-ft. horizon to the 5,950-ft. level. The ore-pass will be continued through to the 5,325-ft. level.
3. Driving the main crosscuts at the 5,325 and 5,950-ft. levels.
4. Making an excavation for the permanent pump station at the 5,950-ft. level.

Since Aug. 1, a second cost-of-living bonus has been paid to employees. The total now amounting to 46 cents per day per man. Beginning Nov. 16, a further increase to 61 cents a day was being placed in effect.

Due to the strike in Kirkland Lake, some very steady and experienced workmen are said to have left camp to get away from labor trouble brought about by the C.I.O.

Pato Recovery Runs Lower

No. 4 Dredge in Difficult Ground — Results Still Satisfactory

With its No. 4 dredge working in ground difficult to dig and which is not as rich as that dredged last fall, production of Pato Consolidated Gold Dredging ran lower in the six months ended Oct. 31, 1941, it was revealed at the company's annual meeting in Vancouver. H. A. Gould, secretary, presided in the absence of Chas. A. Banks, president, who is in Britain on war work.

Production for the six months ended Oct. 31, 1941, totalled $1,625,610 U. S. from 8,166,000 cu. yds. of gravel handled by the company's dredges and hydraulic plants. This was equivalent to a recovery of 19.91 cents U. S. a cu. yd. In the year ended April 30, 1941, recovery of $4,377,009 was secured from 16,981,500 cu. yds., both recovery and yardage representing new records. Exceptionally high values secured with the No. 4 dredge contributed to this result. No. 4 dredge results are described as satisfactory though not so high as those previously secured.

As at April 30, 1941, gravel reserves totalled 335,995,000 cu. yd. of closely drilled gravel averaging 15 cents U. S. a cu. yd., and 222,277,000 yards of partially developed ground averaging 12.9 cents U. S. per yard.

Quebec Mine Output Higher in 10 Months

Mineral production of Quebec shows notable increases for the first 10 months of 1941 compared with the corresponding period of 1940. Gold production the first 10 months of this year showed an advance of 6.5% while silver recovery increased 27%. Production of clay products rose by no less than 52% while output of lime was up by 35%.

Increases in gold and silver recovery represent in part increased activity in the gold mining industry, notably in the Malartic area, but the increase is also believed to reflect greater base metal mining activity. Much of Quebec's gold and silver production comes as a by-product recovery from base metal mining.

DAYTON CALLS MEET

A special meeting of shareholders has been called for Dec. 20 by Dayton Porcupine Mines. Purpose of the meeting is to secure approval of issue of 666,666 shares to Dayton Ostrosser in lieu of paying $40,000 cash from any future profit the company might earn.

Siscoe Mill Rate Near Capacity

Many Savings Found With Increased Tonnage and New Development

A total of 900 tons of ore daily is now being treated at Siscoe Gold Mines and it is anticipated that during the next few weeks the mill will reach its ultimate capacity of 1,000 tons daily, J. B. Lynch, Siscoe president, states in a report accompanying current dividend cheques.

Production during November was exceptionally good, according to Mr. Lynch, being the highest in a single month for the last two years.

Cost-of-Living Bonus Up

With the increased tonnage and new developments, many savings in operating costs have been effected, states Mr. Lynch. Notable among these are the costs of breaking and tramming ore. Partially offsetting such savings is the rising cost of labor and materials. Beginning Nov. 15, the cost-of-living bonus was increased to $3.65 weekly or approximately $80,000 annually. It is hoped, however, that increased production will counteract most if not all of the increased cost.

Pascalis Opens Ore at Depth

No. 32 Vein of Perron Indicated For Over 250 Feet at 825 Level

From Our Own Correspondent

PERRON, QUE.—Underground exploration on levels from 825 to 1,500 ft. depth at Pascalis Gold Mines is resulting in the opening of a number of ore bodies, The Financial Post is informed.

The section of the mine under development is in granodiorite formation similar to that in which the Perron ore bodies occur next door. Several of the Perron ore bodies have already been developed up to the Perron boundary. The main Perron vein—No. 32—is indicated as having a length of more than 250 ft. above the 825-ft. level. Drilling intersections from the 625-ft. level have confirmed the structure on the 825 and 1,025-ft. levels.

To Explore "33" and "34" Veins

Exploration on the 10th and 12th levels is being directed to open up the easterly extensions of the Nos. 33 and 34 vein systems of Perron.

On the 1,500-ft. level, drifting is being advanced south to the ore structure indicated in diamond drilling returning 1.35 oz. across 3.7 ft., 0.506 oz. across 5.6 ft., and 4.8 oz. over 2 ft.

Lateral advance on all levels has now been sufficiently far advanced to provide stations for close interval drilling exploration. This programme is proceeding with two drills in use.

Mosher Acquires Lunward Shares

Through participating in a prospecting effort, Mosher Gold Mines now holds 742,857 shares of Lunward Gold Mines, the company formed to take over 45 claims staked on a gold find in Echo twp., western Ontario.

Following underwriting of 300,000 Lunward treasury shares, finances have been provided for a programme of exploration on that company's property and a contract has been let for diamond drilling. Camps have been erected at Lunward's property with work to be in charge of A. G. Horning, mining engineer.

Besides its interest in Lunward Gold Mines, Mosher holds 302,633 shares of Thompson-Lundmark Gold Mines and other unstated holdings. Two Little Long Lac claims were sold in 1940 for 30,000 shares of MacLeod-Cockshutt Gold Mines.

Balance sheet as at Sept. 30, 1941, shows $14,496 cash, $5,235 investment in an industrial company, $17,925 in Dominion bonds, $131,207 investments in mining companies with market value of $120,390 and $17,500 of advances to Thompson-Lundmark Gold Mines. Against these were current liabilities of $161.

In nine months ended Sept. 30, 1941, revenue totalled $1,000.

Northern Canada Profits Higher

Break-up Value Equals 64 Cents a Share—Tax Liability Settled

Reflecting increased income from dividends and interest, earnings of Northern Canada Mines rose to 7.3 cents a share in the year ended Sept. 30, 1941, compared with 6.2 cents the preceding year. Due to decline in stock market values, break-up value is lower at $641,466 on Sept. 30, 1941, or 64 cents a share against 75 cents a year before.

During the year, tax liability of predecessor company was settled by payment of $15,000. This also took care of any liability of shareholders of the predecessor company in connection with a distribution of shares of Kirkland Lake Gold Mining Co.

Gold finds were made at Kashaweogama Lake, 10 miles west of Savant Lake, northwest Ontario, in 1941, and 28 claims are held in good standing. Veins so far have either been long wide and low grade or short narrow and high grade. Further work is planned on one group in the Savant Lake area.

A small interest is held in financing Laguerre Gold Mines, a 23% interest has been taken in an option on the George Quinn claims in Gibord twp., Ontario and a 10% interest is held in financing Pat Gold Mines, formed on claims in Beatty twp., Ontario. An option on Woco claims has been dropped but a 20% interest is still held in an option on Amphi claims.

A substantial interest continues to be held in Kirkland Lake Gold Mining Co.

Income and Surplus Account
Years Ended Sept. 30

	1941	1940
	$	$
Dividends and interest	83,377	72,035
Less: Expenses	9,954	10,238
Surplus for period	73,423	61,797
Add: Prev. surplus	120,665	58,868
Surplus forward	194,088	120,665
Earnings per Share and Dividend Record:		
Earned	$0.073	$0.062
None paid.		
No. of Shs. Outstand.	1,000,000	1,000,000

Distribution Surplus Account
As at Sept. 30

	1941	1940
	$	$
Previous balance	122,407	142,872
Less: Explor. exp. w/o	19,905	10,978
Tax settlement	9,515	......
Loss on securities	......	9,487
Balance forward	92,986	122,407
Working capital	57,301	37,604
Net liquid assets*	641,466	753,117
Net liq. assets a share	$0.64	$0.75

*Consisting of current assets, plus investments at market value, less current liabilities

DIVIDEND NOTICES

Western Grain Company Limited

NOTICE IS HEREBY GIVEN that Coupon No. 18, being half-yearly interest due on January 2nd, 1938, on the Company's first mortgage bonds, will be paid on presentation to the Company's paying agencies on January 2nd, 1942.

Residents of Canada will be paid in Canadian funds. Current premium will be paid if requested. Payment in United States funds will be made only when the coupon is accompanied by Ownership Certificate showing that owner is a bona fide resident of the United States or the Sterling area.

By Order of the Board,
J. B. RENDALL,
Secretary.
December 19, 1941.

NOTICE

Biltmore Hats Limited

Notice is hereby given that a dividend of Fifteen Cents per share on the outstanding Common Shares of the Company will be payable on the 15th of January, 1942, to shareholders of record the 31st day of December, 1941, at 3 p.m.

By Order of the Board.
WM. F. FRANKE,
Secretary-Treasurer.
Guelph, Ontario,
December 16th, 1941.

Quebec Power Company

NOTICE is hereby given that a dividend of twenty-five (25c) cents per share has been declared on the no par value common shares of the Company for the quarter ending December 31, 1941, payable February 25, 1942, to shareholders of record January 26, 1942.

By Order of the Board,
H. G. BUDDEN,
Secretary.
Montreal, December 15, 1941.

Montreal Light Heat & Power CONSOLIDATED

102nd Quarterly Dividend

NOTICE IS HEREBY GIVEN that a dividend of thirty-eight cents per share (being at the rate of One Dollar and Fifty cents per annum) has been declared on the presently issued and paid up common stock of the Company for the quarter ending December 31st, 1941, to shareholders of record that date.

Cheques representing this dividend will be mailed on January 30th, 1942.

By Order of the Board.
C. C. PARKES,
Secretary.
Montreal, December 15th, 1941.

Montreal Light Heat & Power serves 283,083 gas and electricity customers representing a population of 1,443,588 in the sixty municipalities in the City and District of Montreal.

PRESTON OUTPUT UP

Increased production was recorded by Preston East Dome Mines in November. Output of $211,698 for the month was secured from 16,130 tons of ore, an average of $13.12 a ton. This compared with $203,312 from 17,961 tons, an average of $11.32 a ton the year before.

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 8th day of January, 1942, at 11 o'clock a.m.

By order of the Board.
S. G. DOBSON,
General Manager.
Montreal, December 1, 1941.

The Canadian Bank of Commerce

Dividend No. 220

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st January, 1942, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd February next, to shareholders of record at the close of business on the 31st December, 1941. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 12th December, 1941.

POWER CORPORATION OF CANADA LIMITED

The Board of Directors has declared this day the following dividends.

No par value Common Stock

No. 21, Interim, 15c. per share, payable February 2nd, 1942, to holders of record at the close of business December 31st, 1941.

6% First Cumulative Preferred Stock

No. 66, quarterly, $1.50 per share.

6% Non-Cumulative Participating Preferred Stock ($50 par value)

No. 58, quarterly, 75c. per share. Payable January 15th, 1942, to holders of record at the close of business December 31st, 1941.

L. C. HASKELL, F.C.I.S.,
Secretary.
Montreal, November 28th, 1941.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1½% for the current half year ending December 31st, 1941, has been declared on the paid up capital stock of the Corporation, and will be payable on January 2nd, 1942, to shareholders of record at the close of business on December 20th, 1941.

By order of the Board.
JAMES R. LOVATT,
Secretary.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a dividend of $1.25 per share, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

2nd January, 1942,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.
4th December, 1941.

Disher Steel Construction Company, Limited

DIVIDEND

Notice is hereby given that a dividend of One and 50/100 Dollars ($1.50) per share has been declared on account of arrears of dividends on the Class "A" Cumulative Redeemable Preference Shares of the Company, payable December 24th, 1941, to shareholders of record at the close of business December 18th, 1941.

By Order of the Board,
DONALD H. ROWAN,
Secretary.
Toronto, December 12th, 1941.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

NOTICE is hereby given that a dividend of 1% has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company for the quarter ending December 31st, 1941, payable January 2nd, 1942, to shareholders of record at the close of business December 15th, 1941.

By Order of the Board.
E. W. McNEILL,
Secretary.
Dated at Toronto,
November 20th, 1941.

The Sherwin-Williams Company of Canada, Limited

NOTICE IS HEREBY GIVEN that the one hundred and twenty-second quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending November 30, 1941, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of December, 1941, and that cheques will be mailed January 2, 1942. Books not closed.

By Order of the Board,
P. W. HOLLINGWORTH,
Secretary-Treasurer
Montreal, Quebec.
November 17, 1941.

(DIVIDEND NOTICE)

COMMAND OILS (LIMITED)

Notice is hereby given that a Dividend of 2c per share has been declared on the outstanding shares of the Company, payable on or after January 30th, 1942, to shareholders of record at the close of business January 10th, 1942.

The transfer books of the Company will not be closed.

By Order of the Board,
G. J. MacKAY,
Secretary.
December 9th, 1941.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 237

Notice is hereby given that a dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st January, 1942. The dividend will be payable at the Head Office of the Bank and its Branches on and after Monday, the 2nd day of February, 1942, to shareholders of record of the 15th January, 1942.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 11th December, 1941.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 352
EXTRA DIVIDEND NUMBER 7

A regular dividend of 1% and an extra dividend of 1%, making 2% in all, have been declared by the Directors on the Capital Stock of the Company, payable on the 31st day of December, 1941, to shareholders of record at the close of business on the 16th day of December, 1941.

DATED the 11th day of December, 1941.
P. C. FINLAY,
Secretary.

THE WABASSO COTTON COMPANY LIMITED

NOTICE OF DIVIDEND

A dividend of Fifty Cents (50c) per share and an extra distribution of Fifty cents (50c) per share has been declared on the Capital Stock of The Wabasso Cotton Company, Limited, payable on the 2nd January, 1942, to shareholders of record as at close of business on 20th December, 1941.

By Order of the Board.
H. W. CAPEL,
Secretary-Treasurer.
Montreal, Que., 11th December, 1941.

The Goderich Elevator and Transit Company, Limited

Notice is hereby given that a dividend of 50c per share on the outstanding stock of the Company has been declared payable January 2nd, 1942, to shareholders of record Dec. 15th, 1941.

Goderich, Ont., December 12th, 1941.

By Order of the Board,
R. G. SANDERSON,
Secretary.

General Steel Wares Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of Fifty Cents (50c) per share, on the No Par Value Common Stock of the Company, has been declared, payable on the 29th day of December, 1941, to Shareholders of record at the close of business on the 18th day of December, 1941.

By Order of the Board,
FRANK S. BROPHY,
Secretary.
Montreal, December 10th, 1941.

The Great West Saddlery Company, Limited

6% Cumulative First Preference Stock ($50.00 Par Value)
6% Cumulative Second Preference Stock ($50.00 Par Value)

A dividend at the rate of six per cent (6%) per annum or Seventy-five Cents (75c) per share, being the accumulated dividend for the three months ending December 31st, 1941, on the First Preference stock, and for the three months ending December 31st, 1939, on the Second Preference Stock, has been declared and authorized to be paid on December 31st, 1941, to all First and Second Preference shareholders of record with the Transfer Agents of the Company at the close of business on December 23rd, 1941.

By Order of the Board.
J. C. BRADFOOT,
Secretary.
Winnipeg, Man.,
December 9th, 1941.

Jason Mines Limited

LIMITED
(No Personal Liability)
INTERIM DIVIDEND NO. 2

NOTICE IS HEREBY GIVEN that an interim dividend of Two cents (2c) per share in Canadian funds has been declared on the issued capital stock of the Company and will be paid on the 30th day of December, 1941, to shareholders of record at the close of business on the 20th day of December, 1941.

By Order of the Board.
C. N. HENRY,
Secretary-Treasurer.
Toronto, Dec. 11th, 1941.

Canadian Tube & Steel Products Limited

Notice is hereby given that a dividend of two per cent (2%) on the 7% Cumulative Preferred Stock of Canadian Tube & Steel Products Limited has been declared payable on the 31st day of December, 1941, to Shareholders of record at the close of business on the 24th day of December, 1941.

By order of the Board.
P. B. NASH,
Secretary.
Montreal, December 9th, 1941.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable January 2nd, 1942, to shareholders of record as at close of business December 15th, 1941, in Canadian Funds.

W. S. BARBER,
Secretary-Treasurer.
Toronto, Ontario.

BRALORNE MINES LIMITED

(Non-Personal Liability)

NOTICE is hereby given that a Quarterly Dividend of 20 cents per share and an Extra Dividend of 10 cents per share have been declared on the paid-up capital stock of the company, payable on the 15th day of January, 1942, to shareholders of record as of December 31st, 1941.

By Order of the Board,
RONALD GRACE,
Secretary-Treasurer.
Vancouver, B.C.,
December 8th, 1941.

Where America Stands Today on War Metals

Far Eastern Situation Brings to Fore Exploitation of Marginal Ores

In June, 1939, the United States first tackled the problem of strategic war metals — 10 minerals, a shortage of which might cripple industry on this continent. The Strategic Materials Act passed at that time provided for both investigation of U. S. domestic war metal possibilities and stock-piling for the day foreign supplies might be cut off.

The Pacific war brings a crisis for foreign supplies of some of these metals, while a shipping shortage makes supplies of others difficult to procure. How the United States—and North and South America in general—are prepared to meet the new situation is reviewed in this article.

By **GORDON M. GRANT**
Staff Writer, The Financial Post

Even before the European war—and long before conflict spread to the Far East—it was realized that cutting off supplies of certain strategic minerals might seriously hamper industrial activity in the United States and Canada.

While America is rich in most minerals, it lacks anything like adequate resources of certain items which are well-nigh essential to a highly industrialized economy.

Strategic Materials Act

In the United States, the first step to prevent serious "war metal" shortages was taken in June, 1939, with passing of the Strategic Materials Act. Under this act, which became effective by appropriation of funds Aug. 9, 1939, the United States Bureau of Mines was authorized to investigate deposits containing minerals designated as strategic by the United States Army and Navy Munitions Board. Altogether 10 metals were listed. The chief minerals so designated were antimony, chromium, manganese, mercury, nickel, tin and tungsten. Manganese, essential for steel-making, was considered the No. 1 strategic material.

Since that date, many hundreds of war metal prospects have been investigated by the United States Bureau of Mines throughout the United States. Perhaps a hundred properties have been tested by diamond drilling or other work to determine the possible tonnage of ore—commercial, marginal and sub-marginal—that might be secured in case of dire need.

The Stock-Piling Plan

Right from the outset it was realized that U. S. domestic sources would not likely take care of requirements in an emergency where supplies could not be brought in from abroad. Stock piling of certain strategic minerals had been provided for in the Strategic Materials Act and early in May, 1940, steps were taken to expand the stock-piling programme. Metals Reserve Co. was incorporated by the United States government on June 20, 1940, with the specific purpose of storing adequate supplies of raw materials for United States industry. By April 30, 1941, the Metals Reserve Co. had negotiated purchase contracts for antimony, asbestos, chromite, copper, graphite, manganese ore, mica, tungsten ore, tin, and zinc totalling $608,935,000. By June 15, 1941, $50 millions of additional purchases had been made under the Strategic Materials Act.

Manganese Deposits Drilled

With more than one million tons of high-grade manganese ore used each year in the United States, particular attention has been paid to this mineral. Since U. S. domestic supplies of high-grade ore are definitely limited, beneficiation or concentration of low-grade ores, such as those at Boulder Dam, has been undertaken with several pilot plants arranged. Up to June 30, 1941, government exploration had indicated 8,703,000 short tons of manganese ore in the United States, containing 1,265,000 tons of metal.

Plan to Economize

Realizing the possibly serious threat to steel-making operations, investigations have been made into possibilities of reducing use of manganese in steel-making. By changing certain methods, it is indicated that in dire emergency ferro - manganese requirements could be reduced at least 40%. An abstract of reports of a committee composed of nine eminent scientists and engineers of the United States government and industry on this matter reads as follows:

"Under emergency conditions spiegeleisen (containing manganese) could be substituted for at least 20% of the required ferro-manganese. This substitution could be facilitated and even further extended by the manufacture of spiegeleisen with a higher manganese content than the usual 20%, and this could be done using domestic (U. S.) ores. Another 20% saving in ferro-manganese requirements could be obtained by certain technical practices such as returning a greater proportion of basic open hearth slack to the blast furnace so the maximum permissible content of phosphorous could be raised."

Cuba and S. Africa Help

Although 12.5 pounds of manganese is at present needed to de-sulphurize and de-oxidize every short ton of steel, the United States at present produces only 3% of its own requirements. Canada has added manganese to its list as reported last week and can take care of some of her own requirements. The best ferro-manganese ore normally comes from Soviet Russia. However, Russia has lost some of its chief sources of ore and shipments are not now being made to the United States. Large supplies have been contracted for in Cuba, Union of South Africa and British India. Shipping, of course, is a problem. A sharp increase in production is scheduled in the United States. For instance, Anaconda Copper Mining Co. has agreed to supply 80,000 tons of high-grade manganese ore annually for three years from its Emma mine and adjacent property near Butte, Montana. Up to the spring of 1941, 375 selected manganese deposits had been investigated by the United States Bureau of Mines engineers with about one property in 10 showing possibilities of manganese production in an emergency.

Antimony is Available

Antimony — used in anti-friction bearing metals—is listed as a strategic mineral. Fortunately about 85% of the great United States requirements are secured on this continent. An antimony smelter was established in Texas about a decade ago operating on Mexican and Bolivian ores and most of the United States requirements can be met from this source. Stock piling of this mineral has also been carried out and there appears little possibility of it becoming a serious bottleneck for the war industrial programmes of the United States and Canada.

Approximately five tons of antimony is turned out at the Trail plant of Consolidated Smelters each day. Pioneer Gold Mines has turned out some antimony ore from its Stuart Lake property in British Columbia. There is an old antimony mine at South Ham, Oak County, Quebec, which has been reinvestigated.

Exploration for antimony deposits has been carried on by the United States Bureau of Mines and work has indicated 2,203,000 tons of ore with a metal content of 42,160 tons of antimony.

No Nickel Shortage

As far as nickel is concerned, Canadian production continues to meet all war requirements of the United States and it is anticipated that this situation will continue in 1942. International Nickel Co., the leading producer, is carrying on expansion of capacity to enlarge the output of this metal over a period of years. Although considerable exploration has been carried out in the United States for nickel deposits, Canada is likely to remain the main supply source. Exploration by the United States Bureau of Mines up to June 30, 1941, has indicated 9,600,000 tons of ore with a metal content of 28,800 tons or an average grade of ore little better than a quarter of 1% nickel.

Great Montana Chromite

Chromite—the ore of chromium—has secured particular attention in the United States in recent years. Consumption of chromite has been growing rapidly and the United States alone uses over 600,000 tons a year. Of the 657,698 tons imported into the United States in 1940, 43% came from Africa, 24% came from the Philippine Islands and 11% came from Turkey. Supplies from the Philippines might possibly be cut off, but the United States government has undertaken production of chromite from deposits in Montana.

Chromium Mining and Smelting Corp., the Canadian company that turns out chromium products, plans to secure most of its requirements from this Montana source, although some ore is being secured from a deposit in Quebec. A 50-ton concentrator is scheduled to come into operation at the Quebec property around the end of the year.

Substantial Reserve Indicated

Exploration of chromite deposits by the United States Bureau of Mines up to June 30, 1941, has indicated 6,147,000 tons of ore containing 441,000 tons of metal. The large tonnages indicated by exploration in Montana, though normally of sub-commercial grade, are being developed at the expense of the United States government as a defense preparedness measure.

Chromite is one of the four mineral commodities comprising the first priority class for stock pile reserves. Three fourths of chromite produced is consumed by the steel industry. Under the stimulus of government operation, a large production of chromite is scheduled to take place in the United States. Before the government stepped into the picture, less than 3,000 tons were being turned out annually.

Bolivian Tin Helps

The war in the Far East has been particularly important in the tin situation. The fact that two thirds of the world's tin is recovered in the Far East offers a serious potential threat to our output of tin plate, so important to the canning industry. Tin is also an important constituent of solder. Fortunately, approximately two years' supply of this metal is on hand in the United States and production of the metal in Bolivia, an important source, is being expedited. Tin production in the United States—outside of smelting activities—has been negligible and apparently exploration for tin has not met with great success. Canada, however, is prepared to turn out 500 tons of the metal each year. Large reserves of tin have not only been built up in the United States, but also in the British Empire in anticipation of trouble in the Far East. Production from Bolivia is equivalent to approximately half the normal requirement of North and South America.

Mercury Output Jumps

Although there has been a rapid increase in the price of mercury since Sept., 1939, the immediate supply situation for this metal is not serious. In the United States, the high price for mercury stimulated production in 1940 to the point where the country became self-sufficient in mercury for the first time in a decade. In Canada, the Pinchi Lake mine of Consolidated Mining and Smelting Co. has been developed and is filling most of the British Empire's requirements of the metal.

The high price for mercury, of course, causes a certain tendency to "high grade" mercury or cinnabar deposits, but a survey carried out by the United States government tends to show that reserves are available for three years' requirements. Figures on ore reserves at the Pinchi Lake property have not been revealed but capacity was stepped up recently. The United States Bureau of Mines, in its work, has outlined 336,000 tons of ore with a content of 8,590 flasks of mercury.

Tungsten From Latin America

Tungsten—widely used in the making of tool steels—is closely linked with developments in the Pacific. China is the world's most important source of tungsten and even during the long drawn out struggle with Japan, China has been able to ship out considerable quantities of this metal. Now, however, possibility of securing Chinese tungsten is not so great.

Fortunately, there has been a great recent increase in production in Argentine, and Bolivia in South America, and also in the United States itself. Canada is turning out tungsten concentrates at the Slave Lake mine, North West Territories, and the Red Rose tungsten property of Consolidated Smelters near Hazelton, B.C., has reached the production stage.

Plan Using Substitutes

Efforts have been directed to substitution of other materials for tungsten. For instance, it is expected that molybdenum will be substituted for certain tungsten high-speed steel. If Chinese tungsten is cut off, it does not appear that supplies available from other regions will be sufficient to meet the requirements of North America, but a considerable stock pile of ore is on hand and the use of substitutes will undoubtedly be pressed.

The United States Bureau of Mines has been carrying on a search for tungsten ores. At the end of last June, 578,500 tons of ore had been indicated running about 1% tungsten oxide.

May Speed Up Output

With the war spreading to the Far East and requirements on shipping greater than ever, it appears that the United States will probably take steps to increase domestic output of strategic minerals especially where there is any possibility of supplies being interrupted. Exploration for new deposits has already been speeded up in the United States, but the metal content of many of the deposits is small. In Canada where requirements of strategic minerals are relatively limited, the government has not undertaken by itself the search for war mineral deposits although co-operation of private industry has been secured in exploiting known resources and in searching for new ones. Undoubtedly steps have been taken to ensure adequate supplies of strategic minerals for war industry, but statistics on the exact situation remain secret.

As the United States is gradually combed over for war metal deposits, it appears possible that Canada may be asked to pay even greater attention to production of war metals. The effect of the situation in the Far East will likely go far to determine the extent of the further search for war metals.

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Mining Concentrates

Amtfield Gold Mines advises that terms of sales of up to $75,000 of 6% 4-year bonds provide for issue of $100 par value of bonds and 200 shares of stock for a total of $100.

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Bayonne Consolidated production in November is reported at $25,290 compared with $25,200 in October.

• • •

Chesterville Larder Lake Gold Mining Co. is considering increasing mill capacity from 700 to 1,200 tons daily at a cost of $200,000. Shaft sinking has given five new levels to be opened up. It is possible expansion of equipment could be completed by mid-1942.

• • •

Duquesne Mining Co. advises the Toronto Stock Exchange that it has received payment of $15,750 for 175,000 shares from David Barton, to apply to the Dec. 11 underwriting installment under agreement dated Nov. 24. Balance of the installment, amounting to $6,750, was to be paid within a few days. Issued capital is now 3,851,058 shares, leaving 1,148,942 shares in treasury.

• • •

Goldwood Gold Mines was treating an average of 40 tons of ore daily in mid-November and an increase in capacity to 80 tons a day was expected shortly. Up to the end of September, grade averaged $18.64 per ton. Work is under J. D. Shannon whose lease provides that the company will receive 15% of gross production, which it is considered will approximate half the net profit. The mine has been developed to a depth of 670 ft. and at one time had a considerable production when it was known as the Horseshoe Mine. Last spring the company's engineer estimated ore reserves at 41,572 tons averaging $8.75 per ton across an average width of 4.68 ft. as well as an additional large tonnage of tailings running $6 per ton. The property was purchased from Kenland Gold Mines and Goldwood has assumed the mortgage bond of the former, amounting to $50,000.

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Hollinger Consolidated Gold Mines has declared an extra dividend of 5 cents a share plus an extra of 5 cents a share, both payable Dec. 31, 1941, to shareholders of record Dec. 16.

• • •

Howe Sound Co. has declared an extra dividend of 75 cents a share together with the regular quarterly dividend of 75 cents a share, both payable Dec. 23, 1941, in U. S. funds, to shareholders of record Dec. 16. A similar extra was paid Dec. 23, 1940.

• • •

International Mining Corp. has declared a dividend of 10 cents a share, United States funds, payable Dec. 27, 1941, to shareholders of record Dec. 18. Last previous dividend was one of 15 cents a share paid June 20, 1941.

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Jason Mines has declared a dividend of 2 cents a share payable Dec. 30, 1941, to shareholders of record Dec. 20. An initial dividend of similar amount was paid July 15, 1941.

• • •

Missinaibi Clays & Mining will start mining refractory clay for commercial production this month at its No. 2 property on the Mattagami River, according to F. S. Base, managing director. Numerous enquiries are stated to have been secured from eastern Canada users of refractory or fire clay. Orders for material have been received and it is anticipated that orders for about a trainload will be on hand by the time the plant is in operation.

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Poundmaker Gold Mines as at Sept. 30, 1941, reported cash assets of $58 against current liabilities of $21,329. Certain of the above liabilities were to be paid off at rate of 10% monthly.

• • •

Sheep Creek Gold Mines has declared an extra of 1 cent a share payable Jan. 15, 1942, along with the regular quarterly dividend of 4 cents a share. This is the first extra to be paid since Oct. 15, 1940, when a similar extra was distributed.

Sepha Mines has carried out several thousand feet of diamond drilling on its property in the Porcupine area and it is now planned to put down a series of three deep test holes. Inspiration Mining and Development Co. is carrying out the drilling.

• • •

Sherritt Gordon Mines is now considering production of zinc concentrates which are in great demand at present. The possibility of making profits out of zinc had been investigated previously and it had been decided that it would not be worthwhile to turn out this metal. Recently, however, there has been a further increase in the price of zinc in the United States, causing the situation to be reopened. A shaft is now being put down on the Josephine iron property in the Michipicoten area in which Sherritt Gordon owns a 50% interest. Diamond drilling is stated to have indicated 3 million tons of hematite ore down to 1,000 ft. depth.

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Upper Seine Mines has suspended operations, awaiting further finances.

U. S. Magnesium Step-up Helps B. C. Peat Moss

From Our Own Correspondent

VANCOUVER. — Expansion of magnesium production in the United States as well as in Canada—Consolidated Mining & Smelting Company last week announced a 5,000 tons a year plant for operation within nine months—has created a demand for peat moss, of which British Columbia is believed to have one of the largest supplies in the world.

Basic Magnesium, Inc., which is now developing plants in New Mexico and other states with $63 millions of Federal funds, has closed a deal with Western Peat Co. of Vancouver which obtains its supply from the Fraser River delta.

Foreign Exchange Involved

Western Peat was recently authorized by the Ottawa government to proceed with capital expenditure on the ground that it would increase its exports to the United States to the amount of $100,000, taxation concessions being granted at the same time on a basis similar to that already accorded some of British Columbia's largest pulp and paper and lumber organizations which will be exporting heavily to the United States, thus helping to offset Canada's deficit in trade with the U. S.

Details in connection with Consolidated's big new magnesium plant have not been announced, but it is presumed that it will be located close to the group of metallurgical plants already in production in the Kootenay district. The cost will probably represent several millions of dollars.

Magnesite Available

Magnesite from the Marysville deposits, which have been held by Smelters for some years, will probably be utilized. Magnesite is also available in several sections of the Cariboo and Bridge River.

The Smelters laboratory staff has been engaged for some time in developing satisfactory recovery processes.

With magnesium added to the list, Smelters will be producing more than a dozen different metals, many of which were not developed on a commercial scale until outbreak of the present war.

In addition to lead, zinc, copper, gold and silver which have long been the foundation of Smelters' operations, cadmium and bismuth and ammonia and sulphuric acid were brought into production on a large scale several years ago, and more recently the company has started producing mercury, tin and tungsten.

MacLeod's Ore Hits New Peak

Deliveries May Delay Expansion — Net Up at 17.8 Cents a Share

Highlights of the annual report of MacLeod-Cockshutt Gold Mines for the year ended Sept. 30, 1941, are as follows:

Ore reserves at a new high—1,328,818 tons of 0.244 oz. grade—compared with 797,000 of 0.260 oz. grade the end of the previous year.

Record profits with earnings of 17.8 cents a share, up from 16.9 cents the year before.

Much of equipment for expansion from 670 to 1,000 tons now on order but considerable delay expected in deliveries. Eventual expansion to 1,500 tons envisaged.

Features of the year's operations were the development programme to open up the west ore body and improve ore handling, and the decision to increase mill capacity.

During the year No. 1 shaft was deepened from 150 to 1,100 ft. and No. 2 shaft was continued from 950 to 1,400 ft. A main haulage level between the two shafts at the 1,100-ft. level is now nearing completion.

A magnetic separator to eliminate waste is being installed and is expected to have a favorable effect on grade of ore treated.

Income and Surplus Account
Years Ended Sept. 30

	1941	1940
	$	$
Bullion recovery	2,284,856	2,039,430
Less: Marketing	28,402	24,529
	2,256,454	2,014,901
Less: Mine devel.	138,696	216,440
Mining	603,029	498,334
Milling	383,190	305,339
Mine off. & super. .	55,369	47,990
Gen. oper. expense.	89,338	82,544
C-O-L bonus	23,018	......
H. O. expenses	31,499	31,339
Operat. profit	932,315	832,915
Add: Sundry revenue	806	3,012
Total net revenue	933,121	835,927
Less: Deprec.	172,509	142,543
Develop. w/o	138,148	139,553
Taxes	113,026	74,838
Net profit	509,438	478,993
Less: Dividends	286,249	282,149
Surplus for year	223,189	196,844
Add: Prev. surplus ..	621,625	434,353
Tax adjustments ..	5,194	5,160
Less: Adjusts.	......	4,451
Loss on bonds	390	281
Loss on building ...	315	......
Surplus forward	849,303	621,625
Earnings per Share and Dividend Record:		
Earned	$0.178	$0.169
Paid	0.10	0.10
No. of Shs. Outstand.	2,863,490	2,833,490
Working Capital		
	$	$
Current assets	725,047	627,109
Current liabilities	223,051	186,999
Working capital	501,996	440,110

Note:—Exemption from corporation income tax ended on Sept. 30, 1941.

Goldorel Mills Ore At Olive

Private Company Plans to Extract Known Ore Already Developed

Mining and milling operations are now being carried on by Goldorel Mining Co. at the property of Olive Gold Mines, according to W. McG. Brown, Goldorel president.

Goldorel—a private company with a 40,000-share capitalization — is carrying on operations at the Olive Mine, five miles west of Mine Centre in the Rainy River area, Ont., under a contract with Olive Gold Mines. Immediate plans call for only stoping out and milling of known ore. After this is under way, consideration can then be given to further development.

Previous operators put down a shaft to a depth of 255 ft. and completed a total of 900 ft. of lateral work. The property comprises a total of 282 acres.

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22,500 Boxes Sent Weekly

Volunteer Canadian Women Do "Mass Production" Job

The start of an international production line of mercy. These Toronto volunteers have a very up-to-date assembly line.

Each week the confinement of some 22,500 British prisoners of war is lightened by the arrival of parcels packed by volunteer Canadian women and girls.

In each 10-lb. parcel is carefully stowed contents selected for their food value in proper proportions by nutrition experts.

All parcels are uniform in size and contents and are not personally addressed. All that is necessary is to see that enough parcels are sent to each camp for each British prisoner to get one. Here is what they get each week:

16 oz. Whole milk powder
16 oz. Butter
4 oz. Cheese
12 oz. Corned beef
10 oz. Pork luncheon meat
8 oz. Salmon
4 oz. Sardines or kippers
8 oz. Raisins
8 oz. Dried prunes
8 oz. Sugar
16 oz. Jam
16 oz. Pilot biscuits
8 oz. Eating chocolate
1 oz. Salt and pepper
4 oz. Tea
2 oz. Soap.

Aim For 40,000

At the moment the Canadian Red Cross is packing and sending and paying for 15,000 food parcels a week. In addition it is packing and dispatching 5,000 parcels a week, paid for by the Australian Red Cross, and 2,500 a week, paid for by the New Zealand Red Cross, thus relieving the British Red Cross of the responsibility of sending 22,500 food parcels weekly. Hope in Canada is to move the contribution from here up to 40,000 parcels a week shortly. All packing is done in Toronto and Montreal.

In Toronto alone 90 women give their time freely each day.

No Nazi Interference

The boxes go by train to New York and from there are freighted across to Lisbon. An agent of the International Red Cross then puts them on ships flying the Red Cross which are allowed to pass through the British blockade to Marseilles or Genoa. Another representative of the International Red Cross takes over there and travels with the parcels to the organization's great warehouse at Geneva. The parcels are then distributed to the prisoners. From start to finish the operation is carried out under the Red Cross. The Germans do not handle the parcels at any point.

It is reckoned that it costs about $2.50 to lay down each weekly parcel of food in Geneva.

The parcels go not only to the captured members of the Empire's fighting forces, but also to British civilians who have been taken from sunken ships or enemy occupied lands.

Check on Delivery

Through its system of checking and supervision, the Red Cross makes sure that the food parcels actually reach their destination. In each parcel is enclosed a postcard to be signed by the prisoner stating that he had received the food.

In the Prisoners of War Records in Toronto there are 75,000 postcards from British prisoners of war in Germany, Italy, Belgium and France, acknowledging the receipt of food parcels from Canada. Inspectors of the International Red Cross Committee are allowed to talk to the prisoners and thereby are able to make sure that deliveries are being made in the proper manner.

This branch of the work of the Canadian Red Cross is being carried out in co-operation with the British Red Cross which has undertaken to supply food, clothing, medical comforts and drugs to British prisoners. The British organization has asked Canada to share this responsibility by sending food parcels, but itself is still supplying food to about 75% of the total number of British prisoners along with all the clothing, medical comforts and drugs needed by them. The Canadian Red Cross sends no clothing or drugs but large quantities of special vitamin preparations are consigned to the Medical Officers of the camps for distribution to the prisoners. Tobacco and cigarettes are not included in the Canadian parcels as this would delay shipment. Supplies of smokes are sent in bulk to camps by the British Red Cross or may be sent from Canada by private citizens.

Cost of these parcels is financed out of the general fund of the Canadian Red Cross through contributions from the people of Canada.

Company Reports

Waterloo Manufacturing

Waterloo Manufacturing Co. reports its first net profit since 1929 for the year ended Dec. 31, 1940. Net profits of $23,250 compare with a loss of $78,032 for 1939. Substantially higher depreciation was charged in 1940. In the years 1930 to 1939 inclusive no depreciation had been provided except on automobiles.

Balance sheet shows bank loans and overdrafts of $484,844 at the end of 1940 compared with $752,616 a year earlier.

A. T. Thom, president, states the company has been able to produce a substantial amount of war materials, following plant improvements.

Consol. Income and Deficit Account
Years Ended Dec. 31

	1940 $	1939 $
Operating profit	135,661	*25,737
Less: Exec. salaries ..	16,072	14,895
Legal fees	1,703	2,896
Depreciation	38,894	3,231
Addit. bad debt prov.	41,742	31,273
Income & E. P. taxes	14,000	......
Net profit	23,250	*78,032
Less: Prev. deficit ...	96,086	1,659,403
Loss on bldgs. & land	1,628	13,505
Reorg. exp. w/o	......	4,549
Add: Deficit w/o	......	1,659,403
Deficit forward	74,464	96,086

*Loss or deficit.

Working Capital

	1940	1939
Current assets	515,369	686,403
Current liabilities	532,290	774,258
Excess current liabs...	16,921	87,855

Harding Carpets

Higher operating profits, combined with lower write-offs for depreciation and inventory reserves were sufficient to overcome increased tax appropriations and bring higher net profits for Harding Carpets Ltd., Brantford, in the year ended Oct. 31, 1941. The increase in tax reserve amounted to $88,000, against which were the offsetting items of a rise of approximately $35,000 in operating profits, a drop of some $24,000 in depreciation reserve and a reduction of approximately $66,000 in the amount reserved against future declines in inventory values.

Earnings per share rose from 32 cents in the 1940 fiscal year to 54 cents in 1941.

Working Capital Down

As a result of the purchase of the controlling stock interest in Guelph Carpet & Worsted Spinning Mills Ltd., working capital showed a sharp decline, from $481,041 to $149,556, after deducting inventory reserve in both years. Offsetting this decline is the book value of $370,776 for the investment in the new subsidiary. The transaction was apparently financed through the medium of bank loans, which appear on the 1941 balance sheet at $279,000, the first time that the company has shown a bank loan since the 1937 report.

A. E. Cuthbertson, president, states that the acquisition would give the company increased production and diversification. The Guelph company is the oldest established carpet business in Canada, and operates the second largest worsted spinning plant in the Dominion, a line that is very active and is in considerable demand for war requirements, he states.

The gain in earnings anticipated from the acquisition of the Guelph company is not yet reflected in the earnings statement of Harding Carpets since the subsidiary paid its 1941 dividend at the close of the Harding year. Next year's earnings of Guelph Carpet will be reflected in the Harding statement, The Financial Post is informed.

Operations of both companies remain at a very high level with orders on hand well ahead of current production, it is understood.

Income and Surplus Account
Years Ended Oct. 31

	1941 $	1940 $
Operating profit	314,647	279,535
Less: Depreciation ...	24,214	48,524
Inventory reserve ..	11,334	77,666
Income taxes	185,000	97,000
Net profit	94,099	56,345
Less: Dividends	52,241	52,056
Surplus for year	41,858	4,289
Add: Prev. surplus ..	196,356	195,326
Prior yr. adjust. ...	16,774	......
Less: Tax adjust.	......	3,259
Surplus for year	254,988	196,356
Earned per Share:		
Common	$0.54	$0.32
Paid	0.30	0.30
Working Capital		
Current assets	694,757	636,039
Current liabilities	545,201	154,998
Working capital	149,556	481,041

Beatty Bros.

Beatty Bros. reports a substantial gain in net operating profit for the year ended Aug. 31, 1941. Taxes are more than doubled, however, and depreciation is about two-thirds higher. The result is that the gain in net profit is reduced, although still substantial. On the class A shares, net profits for the latest year are equivalent to $5.76 a share compared with $4.12 a share for the preceding year.

The company's balance sheet reflects liquidation of bank loans and a rise in working capital. A year ago the company reported total bank loans of $570,000, all of which have been repaid. In addition there is a net gain in cash of about $240,000 and Dominion bonds are shown at $301,000. Inventories are down about $200,000 to just under $2 millions. Accounts receivable, after reserve, amount to $3.3 millions compared with $3.5 millions for 1940.

Consol. Income and Surplus Account
Years Ended Aug. 31

	1941 $	1940 $
Operating profit	1,045,263	626,332
Less: Salaries & fees .	63,140	58,382
Depreciation	142,028	81,653
Tax provision	510,962	218,023
Net profit	329,133	268,274
Less dividends:		
1st preferred	56,613	60,000
2nd preferred	47,572	47,572
Surplus for year	224,948	160,702
Add: Prev. surplus ...	2,511,043	2,147,861
Life insur. adj.	654	186,958
Profit on shares red.	*827	249
Profit on assets	9,427	3,856
Bad debt res. adj. ..	......	43,267
Less: Real estate w/o .	......	31,850
N. Z. surplus adj. ..	46,818	......
Surplus forward	2,698,426	2,511,043
*Loss.		
Earned per share:		
Class A	$5.76	$4.12
No dividends paid.		
Shares o/s:		
1st pref., $100 par ..	9,095	9,963
2nd pref., $100 par ..	6,796	6,796
Class A, n.p.v.	39,000	39,000
Class B, n.p.v.	100,000	100,000
Working Capital	$	$
Current assets	6,048,920	5,974,625
Current liabilities	929,811	1,086,986
Working capital	5,119,110	4,887,640

Steel Wares On Pay Basis

Directors Place Common Stock on Dividend Basis: 50c. a Share

From Our Own Correspondent

MONTREAL.—Directors of General Steel Wares have declared an initial dividend of 50 cents a share on the common stock, payable Dec. 29 to shareholders of record Dec. 18. There are 310,879 shares outstanding, so that the dividend will involve a disbursement of $155,440.

The action of the directors has been anticipated for some time. At the annual meeting of shareholders last February, president John C. Newman intimated a payment would be made before the end of the year.

During 1940 the company showed earnings of around 35 cents a share on the common stock. Sales for the current year have been considerably larger and while there is no official information as to the trend of net earnings, indications are share profits will be somewhat higher than a year ago.

Paramount Pictures Redeems 2nd Pref.

Paramount Pictures Inc. has given notice that it will redeem on Feb. 3, 1942, all outstanding second preferred stock at $10.06 per share. The outstanding scrip for second preferred has also been called for redemption on the same date at a rate proportionate to $10.06. The second preferred stock is convertible until Jan. 20, 1942 but not thereafter, into common stock on the basis of 9 shares of common stock for each 10 shares of second preferred.

MORDEN, HELWIG, FERRIE LIMITED
Insurance Adjusters
HAMILTON, LONDON, WINDSOR, KITCHENER,
ST. CATHARINES, SARNIA, CHATHAM, OWEN SOUND

Maritime Tel. Hits New High

Both Long Distance Toll Traffic and Installations at Record Peak

From Our Own Correspondent

MONTREAL. — Maritime Telegraph and Telephone Co. continues to report record operations. At the end of October there were 50,640 stations installed, a new all time record,, and comparing with 50,264 at the end of September and 46,618 at the beginning of the year.

These figures do not include private systems operated by the Dept. of Defense and connected to the company's lines.

In line with the increase in station installations, the company reports a record volume of long distance toll traffic. During October there were 176,270 completed calls, as against 152,682 in the same month last year.

P. T. Legare Moves Head Office to Montreal

From Our Own Correspondent

MONTREAL. — P. T. Legare Co. announces it will move its head office from Quebec to Montreal. The change is being made, it is stated, because of the decrease in business brought about by the Dominion government's curtailment of installment plan sales and also to cut down administrative expenses.

Canadian Tube to Pay 2% on Senior Stock

From Our Own Correspondent

MONTREAL. — Canadian Tube and Steel Products has declared a dividend of 2% on the 7% cumulative preferred stock, payable Dec. 31 to shareholders of record Dec. 24.

The company is not paying any set rate, but the current declaration brings payments for 1941 to $7 a share, or the same as in 1940, and leaves arrears of dividends at $37.75 a share.

St. Lawrence Plan Deferred By War

From Our Own Correspondent

MONTREAL.—Recent war developments will, in all likelihood, delay the St. Lawrence power and waterways scheme, according to Premier Godbout, who added the delay would also probably affect the provincial government's plans to acquire ownership of Beauharnois Light, Heat and Power Cons.

Premier Godbout intimated negotiations were just about coming to a head for joint development of the St. Lawrence waterways. Plans also were being formulated in connection with the acquisition of Beauharnois, but it now appears that such a scheme will be held in abeyance until the war situation clears.

WANTED: Technological Unemployment after 5 p. m.

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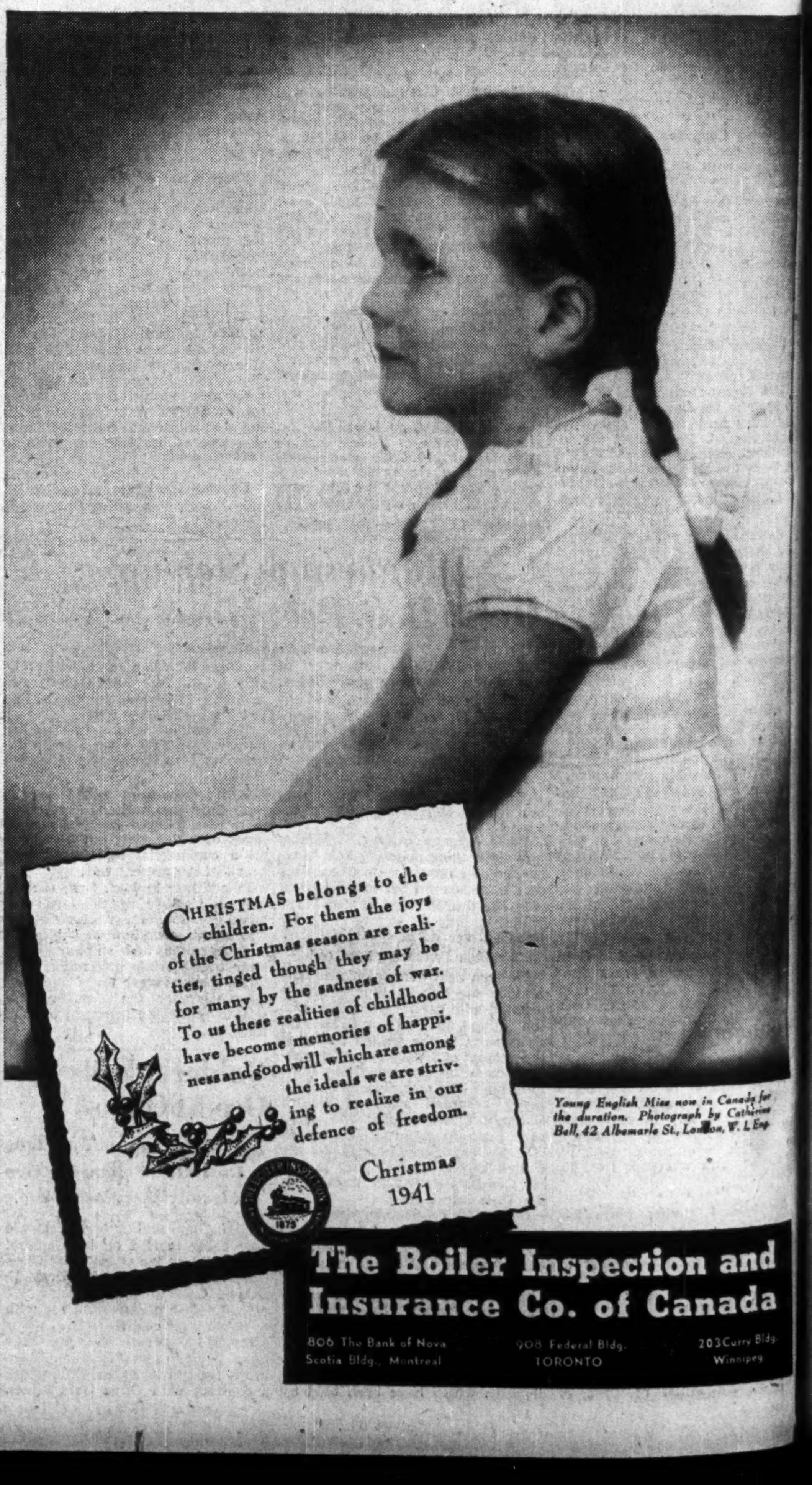

CHRISTMAS belongs to the children. For them the joys of the Christmas season are realities, tinged though they may be for many by the sadness of war. To us these realities of childhood have become memories of happiness and goodwill which are among the ideals we are striving to realize in our defence of freedom.

Christmas
1941

Young English Miss now in Canada for the duration. Photograph by Catherine Bell, 42 Albemarle St., London, W. I, Eng.

The Boiler Inspection and Insurance Co. of Canada
806 The Bank of Nova Scotia Bldg., Montreal
908 Federal Bldg. TORONTO
203 Curry Bldg. Winnipeg